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Author: B. Higgins

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A REGIONAL PLANNING APPROACH TO ECONOMIC PROBLEMS OF BICULTURALISM.

Report Presented to
the Royal Commission on
Bilingualism and Biculturalism.

Benjamin Higgins

March 1966.

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PREFACE

When this essay was written no precise information was available to the relative importance of differences in economic status and of other factors as sources of tension between ethnic groups in Canada. Some light may be cast on this question by other social research undertaken for the Commission. Meanwhile, for the purposes of the present Memorandum, we shall merely assume that economic differences, expressed in levels of per capita income, employment and unemployment, a d occupational opportunities, do contribute to conflicts among ethnic groups. In the absence of firm evidence to the contrary, the Commission will presumably wish to consider the possibility that even if all other grievances of French Canadians were removed, while the marked differences in economic status remained, resentment among French Canadians regarding their position within the Dominion would continue to be a serious problem on the national political scene.

The background document, submitted together with this Memorandum states the matter in these words:

> "The relationship between economic conditions and the intensity and form of racial, ethnic, or regional tensions within a country is a complex and subtle one, involving many variables that fall outside the model underlying the analysis in this essay. The relationship is certainly not a simple linear one--"higher growth, less tension, slower growth, more tension". A stagnant, dormant, isolated, highly

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illiterate and inarticulate people, such as the population of the Brazilian Northeast prior to World War II, does not generate overt conflict between their region and the rest of the country. It is only with a marked improvement in its economic and social situation since World War II that "the Northeast" has become a major factor on the Brazilian national and international political scene. A similar observation could be made for the Italian South, while in Mexico the lagging regions have yet to achieve a degree of self-consciousness, unity and articulate expression of felt needs to make inter-regional conflicts a major political issue. There is some evidence that peak tension occurs at the inflection points of economic movements, rather than where gaps are maximized in the course of economic fluctuations, long or short. Certainly stagnation and divergence after a period of growth and convergence tends to make endemic tensions epidemic.

It seems safe to say, nonetheless, that over very long periods the tensions arising out of economic differences among regions or ethnic groups are reduced by a high level of performance in the national economy. The continuous presence of opportunities for advancement for all groups in a society probably contributes more to elimination of tensions than relative equality of all groups combined with stagnation or retrogression. Differences in the incidence of unemployment among regions or groups cannot be a cause of tension in a country where true full employment prevails, as in Sweden or Australia. Lags of some incomes behind a rising cost of living cannot cause tensions in countries where cost of living is stable. And where all incomes are rising at a high rate differences in levels of income are less noticeable.

Canada, unfortunately, does not meet such standards of high-level performance of the national economy. For a large, young country with abundant and scattered natural resources, high levels of education and a level of population continuously below optimum combined with a high rate of population growth, the rate of economic development has been far too slow, the level of unemployment far too high and the balance of payments problem much too chronic, while creeping inflation has not been avoided. Indeed, since World War II, among all the advanced countries constituting the membership of the OECD the performance of the Canadian eoonomy has been least satisfactory; and the statement still holds if other advanced countries such as Australia and New Zealand are added to the list".

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It is probably no accident that the outbreak of violence and threat of secession in Quebec came at a time when the Canadian economy as a whole was performing poorly while Quebec was enjoying a rate of economic growth above the national average and undergoing a period of bewilderingly rapid change on the educational, religious, political, social and economic fronts.

Perhaps to most French Canadians being "maitres chez nous" is more important than eliminating the gaps in income between French Canadians and others. But is it clear that the economic factors cannot be ignored if a solution to the Canadian crisis is to be found. Claude Ryan says that "the question of the future is which government is going to be primarily responsible for economic development and planning" and that "no policy of cultural development is viable in the long run unless it is supported by corresponding policies in the economic field". [1] Quebec has never lagged far behind the rest of Canada in its rate of industrialization, structure change, agricultural improvement, or overall economic development. But the gap between the economic status of French and other Canadians has been there for as long as there have been statistics, and historical documents suggest that it has been there since Wolfe climbed the cliffs to defeat Montcalm on the Plains of Abraham two centuries ago. French Canadians will not be content to see the gap endure into another century.

Chapter I. The Economic Status of French Canadians

French Canadians are clearly at an economic disadvantage, in comparison with the British-Canadian population or with Canadians in general. In every province in Canada, the incomes of French Canadians are below the average and well below the average income of Canadians of British origin. For the country as a whole only the Italians among major ethnic groups have lower average incomes.[1/]

In 1961 the total income of French male members of the labour force was 87.7% of the Canadian average, as compared to 109.9% for the British. When women are included, the figures are 88.9% for the French and 109% for the British. In Ontario the situation was much the same as for the country as a whole; male French Canadians earned 87% of the Provincial average, while British Canadians earned 106.9% of the Provincial average. In Quebec, because of the great preponderance of French Canadians, the average income of the French members of the labour force must be close to the Provincial average; it was 91.7% of that average. However, because of the concentration of the British population in the higher-income occupations in Quebec, their average income was 140% of the Provincial average.

1/ For a more thorough analysis of income differences in Canada, see Raynauld, Marion, and Beland, Occupations et Revenus, selon les Groupes Ethniques au Canada, Study Submitted to the Royal Commission on Bilingualism and Biculturalism, 1965.

[illegible]

In the Province of Quebec, the Jews, the Germans, the Ukranians and "others" all earn higher incomes than French Canadians, Indeed, only the Italian population had lower incomes. Except in Newfoundland, where the average income of the British population is about equal to the Provincial average, the incomes of the British are above the average in all Provinces.

There is no absolute economic criterion which would enable us to say what is an "appropriate" or "just" situation with regard to the relationship between incomes of French Canadians and other incomes in Canada. By the same token, there is no purely scientific way of determining what comparison is the most significant. Some other comparisons may therefore be of interest. It is worth noting that there is more difference between the incomes of French Canadians in the Province where French Canadians are richest and where they are poorest than there is between French Canadians and British anywhere in the Dominion. In Prince Edward Island the income of French Canadians is only 66% of the average income of French Canadians in Canada as a whole, while in British Columbia the figure is 117.3%. This range is less than the equivalent range for the British, from 61% of the Canadian average in Newfoundland and to 121.9% of the Canadian average in Quebec. If on the other hand we compare French incomes where they are lowest with British incomes where they are highest, the range is from $4,957 to $2,251, a difference of 120%.

Regional differences in per capita income

The difference in per capita income as between Quebec and the national average is almost identical with the difference between incomes of French Canadians and the national average. In 1962 per capita personal incomes in Quebec were 86% of the national average, and in 1961 87%. However, Quebec was by no means the poorest province, or even the poorest region. Newfoundland had a per capita personal income in 1962 only 59% of the national average, and Prince Edward Island, 61%. Ontario, on the other hand, had a per capita personal income 17% above the national average in that year. Thus the regional gaps are considerably greater than the gaps between French and British incomes whether in Canada as a whole or in individual provinces. Obviously, there is an association between the relatively low figures of French Canadian incomes and the fact that most French Canadians live in the Province of Quebec while about half of the remainder lives in the Atlantic Provinces.

The figures of per capita personal income, however, are not directly comparable with the figures used for comparison among ethnic groups. Looking at "total income of members of the labour force" (and using the same sampling techniques) we find that average income ranges from 66.4% of the Canadian average in Prince Edward Island to 108.1% of the national average in British Columbia. Once again this range is greater than the difference between British and French in

Canada as a whole in individual provinces. It should also be noted that with incomes measured in this fashion, Saskatchewan as well as the Atlantic Provinces drops below the Province of Quebec. Once again it is interesting to note that average incomes of the British population, so measured, range from 67.1% of the national average for all ethnic groups in Newfoundland to 134.1% of this national average in Quebec. Similarly, the incomes of French Canadians range from 57.9% of the national average (for all groups) in Prince Edward Island, to 102.9% of the national average in British Columbia. Thus the predominant role of regional differences is once again apparent.

Unemployment

Unemployment is of course a factor contributing to lower average incomes, but a relatively high incidence of unemployment among French Canadians might also be regarded as an economic disadvantage in its own right. Figures of unemployment by ethnic groups are not available, but it is apparent from the regional pattern of unemployment since World War II that French Canadians have suffered relatively more from unemployment than Canadians as a whole. Unemployment in the Province of Quebec shows a persistent tendency to run higher than the Canadian average, and is indeed higher than in any region except the Atlantic Provinces. Moreover, unemployment has shown a sharper increase in Quebec since the war than any other region. In 1948, unemployment in Quebec was only 2.4% of the labour force, and in the five years 1946-1950 the average was 3.3%. In 1961, unemployment was 9.3% of

Canada as a whole in individual provinces. It should also be noted that with incomes measured in this fashion, Saskatchewan, overall the Atlantic provinces drops below the province of Quebec. Once again it is interesting to note that average incomes of the million population, so measured, range from 67.1% of the national average for all ethnic groups in Newfoundland to 124.1% of this national average in Quebec. Similarly, the incomes of French Canadians range from 57.9% of the national average (for all groups) in Prince Edward Island, to 102.6% of the national average in British Columbia. Thus the predominant role of regional differences is once again apparent.

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the labour force and the average for 1956 to 1960 was 7.4%. Thus the five year average for 1956-1960 was more than double the five year average for 1946-50, and peak unemployment in 1961 was nearly 4 times as high as the nadir in 1948. For Canada as a whole, the corresponding figures are 2.9% and 5.6% for the quinquennia 1946-50 and 1956-60, and 2.2% and 7.2% for the minimum and maximum figures.

Unemployment has been still higher in the Atlantic Provinces than in the Province of Quebec. From recent designations by the Area Development Agency, it is clear that all areas in the Atlantic Provinces with large French Canadian populations are also areas of high and chronic unemployment. There can be no doubt, therefore, that unemployment among French Canadians has been relatively high.

Poverty

The distribution of income within ethnic groups as well as levels of income may be relevant to cultural tensions. If for example income distribution is much more unequal among French Canadians than among British Canadians, even equalization of the average might leave a basis for resentment on economic grounds among French Canadians, since French Canadians as a group might still be significantly poorer than British Canadians as a group.[2/] The fact that a few

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[2/] There is some evidence that income distribution is in fact more unequal among French Canadians than among other ethnic groups in Canada. Cf. Raynauld et al, op.cit. pp. 2-5 to 2-8

the labour force, and the average for 1971 is 1980 as 7.6%. Then the five year average for 1976-1980 is more than double the five year average for 1966-70, and even unemployment in 1981 is nearly 4 % as high as the rate in 1966. For Canada as a whole, the corresponding figures are 2.6% and 1.6% for the mainland, 1966-70 and 1976-80, and 4.1% and 7.1% for the recession and maximum figures.

Unemployment has been still higher in the Atlantic provinces than in the remainder of Canada. From regional [illegible] on the Canadian Labour Force Survey [illegible] for the Atlantic Provinces [illegible] with large French Canadian populations are also areas of high and chronic unemployment. [illegible] so in Quebec, therefore, most unemployment among French Canadians can occur relatively high.

The distribution of income, living standards and [illegible] levels of income may be relevant to opinions [illegible]. If for example income differentiation is much more marked among French Canadians than among Anglo-Canadians [illegible] the [illegible] of the average [illegible] have a basis for a conflict of economic interests, which French Canadians as a group might still be stratifically [illegible] than Anglo-Canadians in a group [illegible] the fact that a few [illegible].

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very rich French Canadians brought up the French Canadian average might not be much compensation. A more satisfactory approach in terms of policy might be cast in terms of elimination of poverty rather than in reduction of gaps of average income. The proportion of French Canadians among the poor, as usually defined for policy purposes, is higher than their proportion of the total population. In Canada as a whole, 37.4% of French Canadians members of the labour force receive less than $3,000 a year, as compared to the over all figure for Canada as a whole of 30.6%. The proportion of French Canadians earning less than $3,000 a year ranges from 75% in Prince Edward Island to 24% in British Columbia. Another 40.8% of French Canadians are in the $3,000 to $5,000 class, making 78.2% of the French Canadians below $5,000, as compared to 70.1% for the country as a whole and 73.0% for the British.

Submarginal Farms

During 1963 ARDA undertook an Eastern Canada Farm Survey. They found that in Quebec and the Atlantic Provinces, "at least 50% of the farm units are redundant, economically non-viable, and should be done away with as soon as possible. Their 20% contribution to the total farm output could be easily picked up by the expanded and improved viable units." In general, farms producing less than $2,500 per year were regarded non-viable but the survey team also applied other criteria which gave a figure of 42.7% vs 50% of the farm units as being non-viable.

Over-settlement and under-employment characterised the non-viable farms. Most farms with less than 100 acres were found to be non-economic. Quebec and Nova Scotia were found to be the "worst offenders"; the team found that "almost 8% more of Quebec farms were in the below $2500 bracket, so both in terms of number and in size the problem is more acute there".

They found a close correlation between farm income and education. The average number of years of education for the farm operators in the sample was 8.2 years; for their wives the figure was 9.5 years, and for the adult children, 10.8 years. In the Province of Quebec, however, the corresponding figures were 5.9%, 6.7% and 7.6%.

In conclusions, the report states:

> "Over all, Quebec shows the lowest farm income; the lowest education and training rates; the largest ratio of off-farm to farm income--welfare payments and pulp cutting are two major sources; a high debt rate--mostly short-term debt for consumer durables--; and the largest family size. The traditional styles of farm life are venerated and farming is regarded more as a way of life and less as a purely commercial enterprise; hence innovation faces obstacles which are peculiar to French-Canadian society".

Occupational distribution

Like unemployment, differences in occupational structure are a major factor in explaining differecnces in income. However, apart from their contribution to income gaps, differences in occupational structure may be regarded as a symptom of economic disadvantage

in themselves, reflecting inequalities of employment opportunity. In other words, even if average incomes of French Canadians were as high as those of British Canadians, French Canadians might nonetheless feel underprivileged if occupations regarded as having higher status were relatively difficult for them to achieve. There is evidence that French Canadians are in fact relatively highly concentrated, not only in low-income occupations, but also in low-status occupations. Here, of course, the relevant consideration is occupational status in the eyes of French Canadians themselves; if for example the relatively high proportion of French Canadians in agriculture reflects a feeling among French Canadians that agriculture is a more worthy occupation than others, this situation should not be a contributing element in inter-group tensions.

Tables 1-2 through 1-6, presenting figures on occupational structure by province and by ethnic group, cover the labour force engaged in occupations other than agriculture. They should be interpreted together with Tables 1-7 and 1-8, which give the proportion of the labour force in particular provinces and ethnic groups who are engaged in the agricultural sector.

In terms of the occupational structure, the Province of Quebec might be regarded as the second most "advanced" of the major regions of Canada. In 1961 only Ontario had a higher proportion of its labour force engaged in manufacturing. The proportion of the labour force in manufacturing was much higher in Quebec than in any Province

except Ontario, and was therefore well above the national average. Conversely, the share of the labour force engaged in primary industry (other than agriculture) is lower in Quebec than in any province except Ontario, where the proportion in the agricultural sector is also low, and in Manitoba and Saskatchewan, where the proportion in agriculture is high. In comparison to any region except Ontario, Quebec has a relatively low proportion of its labour force in primary industry including agriculture. In finance, insurance and buildings, also, Quebec ranks just below Ontario and thus above the national average.

On the other hand, Quebec had relatively few people in public administration and in general services; in both of these categories the proportion of the labour force in Quebec is below several other provinces, and below the national average. Quebec is also relatively low in the scale in terms of numbers of people engaged in commerce. In the fields of construction, transport and communication, Quebec is fairly close to the national average.

Table 1-2B presents the same data in terms of the proportion of the total Canadian labour force in each industrial sector which is to be found in particular provinces. Since Quebec has 28.32% of the total labour force and occupation structures show some conformity throughout the country, it is not surprising that Quebec accounts for the second highest proportion of the Canadian labour force (after Ontario) in each industrial sector. However, we note that industrial manufacturing is "over-represented" in Quebec, as it is in Ontario, in the sense

that the share of the Canadian labour force provided by Quebec in this category is higher than Quebec's share in the total labour force. The same is true of construction and of finance, insurance, and buildings. In all other categories Quebec's share of the Canadian labour force is less than its share in the total. Quebec is particularly "under-represented" in public administration and in primary industry outside of agriculture.

Tables 1-3 and 1-3A show similar data by ethnic group. Because of the concentration of the French Canadian population in the Province of Quebec, the occupational structure for French Canadians bears close resemblance to the structure for the Province of Quebec. We see, for example, that the proportion of French Canadians engaged in manufacturing is higher than the national average, and also higher than for the population of British origin, although it is lower than for some smaller ethnic groups such as Italians and Jews. The proportion of French Canadians engaged in construction is also higher than for the British or for the national average. A higher proportion of French Canadians is engaged in primary industry (outside of agriculture) than is true of the British or of all ethnic groups together. The difference between the relative position of French Canadians of the Province of Quebec in this sector, indicates the concentration of French Canadians in this sector, not only in the Province of Quebec but in other provinces, particularly New Brunswick. French Canadians are "under-represented"

in all other categories. In public administration French Canadians come fairly close to the national average but well below the figure for the British.

Table 1-3B shows the distribution of the labour force in each industrial sector according to ethnic group. French Canadians account for some 28% of the total labour force. Their share of the labour force is higher than this national average in manufacturing and construction. In transport and communications it is about the same as the national average. In primary industry other than agriculture, French Canadians account for a much higher share of the total than they do for all industries taken together, while in other categories French Canadians are "under-represented" in this restricted sense.

Tables 4A and 4B show similar data for the Provinces of Ontario and Quebec. Comparing the occupational structure of French Canadians with the total for all ethnic groups in Ontario, we could say that French Canadians are "under-represented" in manufacturing, commerce, finance, insurance and furniture, and general services. French Canadians are "over-represented" in construction, transport and communications, public administration and primary industry (other than agriculture).

If, on the other hand, we compare the occupational structure of French Canadians with that of the British majority, we see again that French Canadians are under represented in manufacturing, transport

and communications, commerce, finance, insurance and buildings and general services. They are "over represented" in construction, public administration, and primary industry.

Table 1-4b shows that French Canadians account for only 9.62% of the total labour force (outside agriculture) in Ontario, as compared to 57.78% for the British. Comparing each sector with the average for all industries, we see once again that French Canadians are "over represented" in construction, transport and communications, public administration and primary industry, but "under represented" in the other categories, including manufacturing.

Table 1-5 shows similar data for the province of Quebec. The proportion of the French labour force engaged in manufacturing is somewhat higher in Quebec than it is in Ontario (29.27% vs. 27.79%) but the concentration of the British labour force in manufacturing is considerably greater in Quebec than in Ontario (36.61% vs. 32.41%). In construction too, the relative preponderence of French Canadians is more apparent in Quebec than in Ontario. Similarly, the share of the labour force engaged in transport and communications is slightly higher in Quebec than in Ontario than for French Canadians, but substantially higher for the British.

In the commerce sector, the relative roles are reversed, whereas in Ontario a slightly higher share of the British population was in commerce than of the French population, in Quebec the proportion

of the French labour force engaged in commerce is substantially higher than for the British. In finance, insurance and buildings, the relative positions of the French and British are much the same in both provinces, but the relative preponderance of British is even greater in Quebec than in Ontario.

It is interesting to note that the proportion of the French Canadian labour force engaged in public administration is higher than the British in both Ontario and Quebec, and the difference in this regard between the two provinces is not marked. In the primary industry sector (other than agriculture) the proportion of the British labour force is slightly higher in Quebec than in Ontario, while the share of the French labour force is substantially lower in Quebec than in Ontario.

Looking only at the French Canadian labour force and comparing their positions in Ontario and Quebec, we see that a higher proportion of French Canadians is engaged in manufacturing in Quebec than in Ontario. The same is true of construction, transport and communications, commerce, and finance, insurance and building, and also in general services. The proportion of the French Canadian labour force engaged in public administration and primary industry other than agriculture, on the other hand, is much lower in Quebec than it is in Ontario.

Table 1-5b shows that 76.02% of the total labour force in Quebec is of French origin, as compared to 12.11% for the British and relatively insignificant proportions for other ethnic groups. Comparing the sectoral data with the average for all industries, we see that in

their own province French Canadians are "under-represented" in manufacturing, in finance, insurance and buildings, and in general services. In transport and communicatons and commerce, the proportion of French Canadians is close to their share of the total labor force. The French Canadians are "over represented" in construction, public administration, and primary industry. The British, conversely, are over represented in manufacturing, transport and communications, and particularly in construction and primary industry. It is interesting to note that the share of the British population in public administration in Quebec is not far below their share of the total labour force.

Comparing occupational structure with levels of incomes, we see from Table 1-1A that in all provinces, and thus in Canada as a whole, the average income is higher in the finance, insurance and building sector than in any other sector. For Canada as a whole, and also for Ontario and Quebec, the services sector comes next. A comparison of Table 1 with Table 3A shows immediately that the British are more concentrated in the high income sectors of the Canadian economy than are the French Canadians. The same is also true in the Province of Quebec, as a comparison of Table 1 with Table 5a shows. In Ontario, however, the correlation is less clearly marked. The proportion of British is higher than the proportion of French in the two highest income sectors, and in the fourth. The proportion of French Canadians is higher for the third highest sector (public administration). The

proportion of French is higher than of British in the lowest bracket and in the second lowest bracket, but the proportion of British is higher for commerce which ranks sixth from the top in average income. The proportion of British is also higher in transport and communications, which is fifth from the top.

Conclusions

To the extent that resentment among French Canadians regarding their position within the Confereration is due to differences in economic status, there seems to be some foundation for this resentment. By and large, French Canadians are at a disadvantage within the Dominion in terms of income, employment, and occupational status; they are over-represented among the poor, the unemployed, and the submarginal farmers.

CHAPTER II

WHERE ARE THE FRENCH CANADIANS?

A regional and area development approach to reduction of income and employment differences between French Canadians and others requires some degree of concentration of the French Canadian population in particular areas and regions.

Quebec

According to the 1961 census, in that year 30.40% of the total Canadian population was of French origin, 5,540,000 in a total population of 18,238,000.[1] Some 7,997,000 Canadians were classified as being of British origin, 43.8% of the total. A substantial minority--22.6% were of European origin other than French or British, while 0.7% were Asian, and 2.5% of other racial origins, including Indians and Eskimos constituting 1.2% of the population.

About 75% of the French Canadian population (4,241,000) lived in the Province of Quebec. The French residents of Quebec in turn constituted some 80% of the total population of the Province. There were 567,000 of British origin living in the Province, and 401,000 of other European background. The British population, and also the "other European" group, were heavily concentrated in the city of Montreal, and to some degree within particular occupations in the Montreal metropolitan region. Clearly, there would be no difficulty in designing regional and area development programs

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[1]Large numbers are rounded to the nearest thousand. Some small numbers are given in detail.

within the Province of Quebec which would have their major impact on income and employment of French Canadians.

Ontario

The second biggest concentration of French Canadians is in Ontario, 648,000 in a total population of 6,236,000. Thus the French population was a little more than 10% of the total population in Ontario. There were 464,000 other Europeans in the Province.

The French Canadian population of Ontario was concentrated in three main zones: in the Ottawa River Valley, in the Eastern St. Lawrence River Valley, and in the mining districts of the North. In some countries of Ontario French Canadians constituted large minorities. For example, in Carlton County (metropolitan region of Ottawa) there were 95,000 French and 194,000 British in a total of 353,000. Similarly in the county of Essex, French Canadians amounted to 55,000 in comparison to 120,000 British and a total population of 258,000. In some other counties, the French population exceeded the British. In the mining area of Cochrane, for example, the French Canadian population was 47,000 compared to the British population of 27,000 and a total of 96,000. Here the French population was much the biggest ethnic group. The same was true in Nipissing, where the French population was 31,000, compared to 29,000 British and a total of 70,000. Similar situations prevailed in Stormont County (28,000 French, 23,000 British, 58,000 Total) and Sudbury (65,000 French, 55,000 British and 166,000 total).

A substantial group of French Canadians (58,000) lived in York County (metropolitan Toronto), but there the French were a small minority. The British population constituted 1,044,000 and the total population was 1,733,000. These seven counties contained the bulk of the French Canadian population of Ontario, 379,000 in all.

From these figures it is apparent that it would not be possible to design area development programs which would raise income and employment of French Canadians without similar increases in income and employment of other ethnic groups, even on the first round. However, even in Ontario, area development programs concentrated in the counties with large proportions of French Canadians would tend to reduce the difference between the average incomes of French Canadians and the rest of the population.

New Brunswick

The next biggest group of French Canadians lives in the Province of New Brunswick. In that province there were 232,000 Canadians of French origin in 1961, 330,000 of British origin, and very few others. The total population was 598,000. The French population is concentrated in a small number of counties, mostly in the northern part of the Province. In these counties there are large French majorities. The biggest concentration was in the county of Gloucester, 56,000 as compared to 9,000 British and a total of 66,000. Over 85.% of the population of Gloucester county is French, and the "other European" group is insignificant. In the

county of Madawaska 93.8% of the population is French, 37,000 out of 39,000, the other 2,000 being British. In Restigouche there were 28,000 French in a total of 41,000 with a British population of 12,000; thus 68.3% of the population of that city is French. In Kent County, too, there is a large French majority, 81.9% of the total, 22,000 out of 27,000, with 3,000 British.

There were three counties in which the French constituted substantial minorities: Northumberland (31.3%), Victoria (42.2%), and Westmorland (43.7%). In Westmorland there were 41,000 French in the total population of 94,000, the second highest French population among New Brunswick counties. In the other two "mixed" counties the French population amounted only to 16,000 (Northumberland) and 8,000 (Victoria).

The other New Brunswick counties have only very small minorities of French Canadians. In the city of St. John, however, while the French population is only 14% of the total, it is a sizable group (12,275).

In New Brunswick, then, it would not be difficult to design Provincial and area development programs in such a way as to have their major impact on income and employment of French Canadians.

It is worth noting in passing that whereas in Ontario the number of residents declaring French to be their mother tongue was only 65% of the number claiming French origin, in New Brunswick the number claiming French as mother tongue was 90% of the number claiming French origin. In other words, if for purposes of economic policy towards ethnic groups "French Canadians" are those

living within a French Canadian culture and speaking mainly the French language, minorities of French origin such as those in the city of Toronto may not be of great importance. The fact that it is difficult to reach them through any regional or area policy which would not have more effect on other Canadians may therefore not be of great concern. In New Brunswick, on the other hand, most Canadians of French origin must be considered "French" in terms of language and culture as well.

Nova Scotia

In 1961 Nova Scotia had a French Canadian minority of 88,000 in a total population of 737,000, of which 525,000 were British and 95,000 were "other European". Only in the city of Richmond was there a French majority, 6,669 as compared to 4,298 British and a total population of 11,374. In Yarmouth there were 10,000 French Canadians as compared to 11,000 British and a total of 23,000 and in Digby there were 9,696 with 8,064 British and a total of 20,216. The biggest concentrations of French Canadians were in cities where they were a small minority (about 10%) of the total. There were 13,000 French Canadians in Cape Breton, compared to 103,723 British and 131,507 total. In Halifax there were 22,000 French Canadians compared to 162,000 British and a total of 226,000. About three quarters of the total French population of Nova Scotia lived in these six counties.

At first blush it would appear to be difficult to design development programs to have a differential impact on French

Canadians in Nova Scotia. However, three points may be made. First, the total number of French Canadians in Nova Scotia is relatively small. Secondly, they live in counties where the average income of all ethnic groups is low, and raising incomes of French Canadians in these areas, along with others, will at least help to eliminate poverty among French Canadians. Third, the ratio of French language to French origin in Nova Scotia is relatively low--43%--and in counties like Halifax and Cape Breton, with sizable groups of Canadians of French origin who are small minorities in the total population, closer study may prove that they are not really "French" in the cultural and linguistic sense.

Manitoba

Manitoba had 83,900 French in 1961 and a total population of 922,000, of which 396,000 were British and 400,000 were other European. The relatively great importance of ethnic groups which are neither French nor British characterizes all of the Prairie Provinces. The biggest concentration of French Canadians was in Division number 20 (metropolitan Winnipeg) which had a total population of 476,000, with 214,000 British and 39,800 French. It is worth noting that in this area both the German minority (50,200) and the Ukrainian minority (53,900) were bigger than the French minority. Outside of Winnipeg, the French Canadians were scattered in relatively small groups. The next biggest concentration, in Division Number 1, constituted only 9,100 French Canadians, in comparison to 2,000 British and 17,000 other Europeans, making

a total population of 28,700. The next biggest was Division Number 6, with 5,300 in a population of 30,900. Division Number 16, which had 4,200 French Canadians, had the special characteristic of containing 15,300 Indians and Eskimos, about the same number as those of British origin.

In Manitoba the ratio of French language to French origin is 72%. The problem of reaching specifically French Canadian income and employment through area development programs is therefore somewhat greater in Manitoba than in Nova Scotia.

Alberta

The 83,000 French Canadians in the Province of Alberta are widely scattered. In 1961 the biggest groups were in the two metropolitan areas, 12,500 in Division 6 and 28,800 in Division 11, (Calgary and Edmonton). These figures compare with a total population of 1,332,000 in the Province as a whole, of which 601,700 are British and 591,000 are other European; and for Division Number 6, a total of 318,000 with 183,300 British; and Division 11, 411,000 total and 180,600 British. It is interesting to note that both the German minority in Division Number 6 (37,600) and the Scandanavian minority (19,200) are substantially bigger than the French minority; and in Division Number 11 both the German (57,900) and Ukrainian (43,600) are much bigger minorities than the French.

In Alberta, however, two questions regarding the French Canadians should be raised: How French are they? and, How poor

are they? The ratio of claimants of French mother tongue to claimants of French origin in Alberta is only 50%; and the average earnings of French members of the labour force in Alberta is $3,704 compared to the Provincial average of $3,926 and the Canadian average of $3,787. Thus, the difficulty of singling out areas of French Canadian concentration in Alberta would not seriously inhibit a national policy of using regional and area development programs to reduce income and employment differentials.

British Columbia

British Columbia has 67,000 French Canadians in a total population of 1,629,000, of which 967,000 are British and 488,000 are other European. Most of the French Canadians live in the two larger cities: 34,700 in Division Number 4 (Greater Vancouver, with 551,000 British and a total of 907,000); and 10,800 in Division 5 (presumably Victoria) with 204,000 British and a total of 291,000. In British Columbia, however, the ratio of French mother tongue to French origin is only 39%, and the French are not particularly poor. The average income of French members of the labour force is $3,770, almost exactly equal to the Canadian average, and less than 10% below the Provincial average.

Saskatchewan

Saskatchewan has only 59,800 French Canadians in a total population of 925,200. Saskatchewan is one of the provinces in which the "other European" population exceeds the British, 450,000 as compared to 373,500. Both the Ukrainian and Scandanavian

minorities are greater than the French Canadian minority in Saskatchewan. Residents of Dutch ancestry are about half the French population and Indians and Eskimos are more than half the French population.

The French Canadians in Saskatchewan are widely scattered, with the biggest concentrations in the cities. Division 15 has 10,137 French Canadians in a total population of 83,669. The British are also in a minority there--21,717--with 15,623 Germans and 10,443 Ukrainians. Division 6 has 7,076 French Canadians in a total population of 850,400 of which 69,000 are "other European". Finally, Division 11, the only other area with significant numbers of French Canadians, has a total population of 126,000 with 59,000 British and 5,053 French Canadians.

Some 60% of those claiming French origin in Saskatchewan also claim French as their mother tongue. It does not seem likely, however, that such small minorities can retain an essentially French Canadian culture, language, and attitudes indefinitely unless special measures are taken to assist them to do so.

In Saskatchewan the French Canadians have incomes far below the British, $3,092 compared to $3,852. French Canadian incomes are also substantially below the provincial average of $3,529 and the Canadian average of $3,787. Indeed, in Saskatchewan the French are the poorest among major ethnic groups, this being the one province where the small group of Italians (judging by the 1% sample) has incomes near the upper end of the scale. It seems

likely that any general anti-poverty campaign or any general anti-unemployment programme in the province of Saskatchewan would pick up a proportion of French Canadians considerably in excess of their proportion of the total Saskatchewan population.

Conclusion

The general conclusion of this section is that if the Dominion Government, or the Dominion and Provincial governments together, wish as a matter of policy to improve the economic status of French Canadians, both absolutely and relative to the other major ethnic groups, it is technically feasible to do so through regional and area development programs, particularly in Quebec and New Brunswick, combined with anti-poverty programmes throughout the country.

It is of course theoretically possible that the inter-regional multiplier or "spread effects" of regional and area development projects in (say) Quebec or northern New Brunswick are so high that income and employment will be mixed more elsewhere (in Ontario, for example) than in the area where initial expenditures are made. Without regional input-output matrices and inter-regional balance of payments data it is impossible to say for sure. However, it is possible to say two things without such detailed studies: first, given the structure of the economies involved, it is unlikely that policies of the "ordinary" kind for reducing unemployment, mising incomes, and eliminating submarginal firms or poverty in general will raise income and employment outside the area of initial expenditure more than in the area itself; and if such a result seems both likely and undesirable, special programs could be devised to prevent it from happening.

CHAPTER III

REGIONAL DIFFERENTIALS: CANADA AND OTHER COUNTRIES

Few countries indeed have escaped regional differentials in the course of economic development. Sharp regional dualism, however, is generally associated with underdeveloped countries. As high levels of development are reached, regional differences tend to diminish. One major reason for this relation is that levels of per capita income throughout the world are closely associated with occupational industrial structures, and particularly with the ratio of agricultural employment to total employment. The whole process of economic development has been very largely a matter of getting people out of small-scale, low-productivity agriculture into more productive occupations, particularly in industry. Thus where total agricultural employment in the country as a whole is small, and where the occupational structure is similar throughout all major regions of the country, as in the United States or Australis, income differences among regions are necessarily limited.

Where a large proportion of the labour force is engaged in agriculture, while the modern sector is concentrated in one part of the country, regional dualism may appear even in such small countries as Greece and Ceylon, despite the fact that soil, climate, resources, etc. do not vary greatly from one part of the country to another. In small countries, it is true, the basic

division is usually between the capital city and its hinterland, constituting the modern and advanced sector and region, and the rest of the country, constituting the traditional sector and poor region. Conversely, where the ratio of agricultural employment to the total is small, as in the United States, Canada, Australia and the advanced countries of Europe, significant dispersion of regional incomes per capita (especially if weighted by population) can occur only in large, regionally disintegrated economies, with sharp differences among regions in soil, climate, mineral resources, energy, patterns of immigration, and timing of development. In such countries, which include the United States, Canada and Brazil considerable geographical mobility of both labor and capital is necessary for any degree of equalization among regions to take place. Small regional gaps may also occur through an essentially parallel development in all regions at once, which seems to have been the case in Australia, but these cases are rare.

Considering their size and regional diversity--diversity not only in resources, but also in the historical patterns of development--it is not surprising that substantial differences remain among the major regions of United States and Canada, despite generally high levels of economic development. In all four of the large countries of the new world, settlement began on the coast (and indeed on the northeast coast) and population movements took place as new agricultural land was opened up and new mineral or power resources were discovered. The more varied

and the more geographically scattered the resource discoveries, the greater the tendency for industrialization and urbanization to be scattered throughout the country as a whole, and the smaller the regional differences.

Also important is what is called in the background document the "ratchet effect"; that is, the successive conversion of lagging regions into leading regions again. High rates of development of the national economy as a whole, accompanied by regional divergence, may occur for a while through very rapid growth in the frontier region combined with rapid growth of the metropolitan region. If growth is to continue indefinitely at high levels, however, and to be diffused throughout the population, the very high growth in the frontier must eventually have a feed-back effect on the metropolitan region, converting it into a region of very high growth once more. The major difference between Canada--and still more the United States--and Brazil, lies precisely in the strength of this "ratchet effect". In Brazil the "ratchet effect" has scarcely appeared thus far, although there is hope that the new wave of industrial development in the South may generate spread effects to the rest of the country, converting the North and Northeast into leading regions once again.

Once a sizable population is settled in an initial leading region, like the Maritime Provinces, the Northeast in the United States and the Northeast of Brazil, natural population growth is likely to assure a growing population. For once a regional

population attains any size it becomes difficult to solve the problem of chronic lag through emigration alone. To assure continuing increases in per capita income of "old" regions, some structural change has to occur within the region itself; expanding markets for the original exports, as "new" regions develop is not enough. Of the four "Northeasts" (regarding Queensland and New South Wales as the "northeast" of the part of Australia that is populated) which were the original leading regions in all four countries, only the Northeast of the United States has had a resurgence following its period of relative decline. In the other three countries, the "northeast", after an initial period in which it was the most advanced or more rapidly advancing region, has had a relative retrogression from which it has not since escaped, as the focal points of growth, and particularly of industrial growth, shifted to other parts of the country.[1] In Brazil the Northeast may even have suffered an absolute decline in real per capita income, from which it has not recovered. In Australia, the "Northeast" simply ceased to develop faster than the rest of the country, with little change in its relative position. In Canada, the Maritimes became a chronic poor and lagging region.

In terms of the population: resource ratio as it appeared in the four countries in 1800 the regional differences in Australia

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[1]This agrument is less easy to support with empirical evidence for Australia than for the other countries. However, it is certainly time that development began in the "Northeast" and that today regional differences in Australia are small.

now seem surprisingly small, and the regional differences in Brazil surprisingly big. The explanation of Australia's success in avoiding wide regional differences is probably that no such differences ever existed. Development in all six of the Australian states (which can be regarded as major economic regions) took the form of one central city in which the bulk of the population lived, combined with a highly land-and-capital-intensive form of agricultural development, followed by discoveries of mineral and other resources. With so urbanized a population in all states, and with so similar an employment structure in all regions, large differences in man-year productivity could scarecely arise.

The reasons for Brazil's becoming a classical case of regional dualism are spelled out at some length in the background document. One major factor has been the "boom and bust" pattern of growth in Brazil. Each era of Brazilian development has had its own focal point of growth--sugar, livestock, minerals, rubber, coffee, and manufacturing. Until recently at least, each of these sources of growth has produced a limited period of expanding activity, followed by stagnation or decline, with only limited impact on the rest of the country. Each of them, too, was concentrated in one part of the country, and the development of the leading sector had little or no impact on parts of the country outside the region in which this industry was concentrated. The sugar industry in the Northeast--the first focal point of growth in Brazil--is now a problem industry, hardly able to hold its own in competition with

sugar produced in other regions of Brazil and elsewhere in the world, while the world market fails to expand with world income. The livestock industry, similarly, now lags begind, rather than leading in the growth of national income as a whole. The mineral boom has passed, leaving ghost towns in its wake.

Australia, unlike Canada and most of the United States did not develop its agriculture on a pattern of small and middle-sized farms, but rather on a pattern of latifundia and farm workers, such as characterized the old South in the United States, a bit of the Southwest, the Province of Quebec in Canada, and most of Brazil. Very low productivity and income is usually associated with overcrowding on the land and splinter holdings, or with concentration of land ownership in few hands, combined with use of rather labor intensive technology and large numbers of slaves, peons, or poorly paid agricultural workers. Brazil and the United States South had some of each. The United States Southwest, and Quebec, set off with the latter Australia had the latter, but avoided more serious effects by never having many people on the land.

Canada was not blessed with the same range of soil, climate and mineral resources as the United States. Settlement began on the east coast and moved to newly discovered resources (including newly opened land) in both countries. In both countries, too, the population continued to grow in the original leading regions long after they ceased to be such, despite substantial emigration. But in Canada the spread effects of development on the frontier back to

the Atlantic Provinces and Quebec have never been sufficient to turn either of these regions into rich regions, and there is no clear evidence that either of them has even been turned into a leading region again, in the sense that its percentage rates of growth are higher than in the country as a whole.

In one respect Canadian economic history resembles Brazilian; development has been built around a series of "staples" which constituted the focal points of growth, and these have been located in different parts of the country. Furs, fish, forest products; wheat and cattle; minerals; and now more highly processed products of the farms and forests--these have been Canada's focal points of growth. But the spread effects have been limited in comparison to what occurred in the United States. Their spread effects have been greater, certainly, than the series of focal points of growth in Brazil; the "ratchet effect" has played a greater role in Canadian development than in Brazil, but less than in the United States.

To the extent that regional development in Canada may be regarded as the result of economic policy, it could be said that this policy has been moderately successful. The dispersion of per capita income among regions in Canada is somewhat greater than in the United States, considerably more than in Australia, but very much less than in Brazil. What is disturbing in the Canadian picture, in contrast to the American one, is the lack of clear evidence of convergence.

Canada has not experienced the marked centripetal tendency that has characterized the growth of regional incomes in the United States during the last three decades. Over the thirty-five year period following 1927, real per capita personal income in Ontario grew faster than the national average. Ontario moved from second place in 1927 to first place in 1962. The second highest rate of growth, it is true, occurred in the Maritime Provinces, which were the poorest region in 1927. They remained the poorest region in 1962, and the absolute gap in real per capita income between the Maritimes and the richest region widened considerably. The Prairie Provinces shared with British Columbia the dubious honour of having the slowest rate of growth, and retained the middle position among major regions in the country. British Columbia slipped from first to second place. Quebec had the same overall growth rate as Ontario but its position as the second poorest region was unchanged--a striking fact, given Quebec's vast mineral and forest resources and its tremendous supplies of hydroelectric power.

In terms of earned income per member of the labour force, growth in the Maritimes was below the Dominion average for 1931-1955, although slightly higher than the Dominion average for 1941-1955. Quebec and Ontario lagged behind the Dominion in both periods, but British Columbia was above the national average in both periods. Finally, the Prairies were well above the country as a whole in both of these periods.

Up to World War II there was some tendency towards convergence of regional incomes. Since the War, unfortunately, this tendency has been reversed; in the words of the Economic Council

"the forces tending to narrow differences between regional income levels have weakened considerably."[2] The Atlantic Provinces failed to share in the acceleration of growth that took place in other regions. Even in percentage terms the income gap between the Maritimes and the rest of the country widened.

Quebec enjoyed the highest rate of growth of all regions during the post-war period (1947-62), improving its relative position significantly over 1947, although not much over 1927. Its rank among Canadian regions remains the same. The Prairie Provinces lost ground during the post-war years, despite the oil discoveries in Alberta; their growth rate was barely above that of the Atlantic Provinces.

The relative position of British Columbia was unchanged, while Ontario grew faster than the national average and strengthened its position as the "rich" region of Canada.

Both in the Atlantic Provinces and in the Province of Quebec there are people who feel, with some justice, that Confederation did not bring the same economic benefits to their region as to other parts of the country. Moreover, no other country with sharply defined regions, combined with significant regional differences in levels of living, has anything quite like the province of Quebec, with nearly 30 per cent of the total population in a region having a distinctive racial background, language, and culture. It is not surprising that regional differences (not in themselves particularly large in comparison to some other countries) should bring more serious political problems in Canada than in other countries.

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[2] Ibid., p. 27.
Moreover, 1961 or 1962 seems to have been the peak year for relative growth of Quebec; per capita income of Quebec in percent of Ontario reached in peak in 1962, and in percent of Canada Quebec incomes fell after 1961.

Chapter IV

The Quebec Region in the Canadian Economy

For as long as records exist there has been a persistent lag in per capita incomes in Quebec behind those of the neighboring Province of Ontario, or of Canada as a whole. Between 1927 and 1962, the period for which adequate national income data exist, Quebec's personal income per capita ranges from 67 percent to 75 percent of that of Ontario; it was 74 percent in 1927, and 75.0 percent in 1962. Hourly wage rates in Quebec manufacturing have lagged a persistent 15% below Ontario level for some twenty years. Value added per man-year in manufacturing in Quebec has lagged a persistent 15% below Ontario ever since 1870. Historical sources suggest that the gap in productivity and income prevailed throughout the nineteenth century and perhaps even earlier than that. No trend towards a narrowing of the gap is discernable, despite the industrial boom that has taken place in Quebec since World War II.

It had long been supposed that the lag in Quebec incomes was due to a relatively slow rate of industrialization in the Province of Quebec, and consequent retention of real values and social organization. This traditional view has been expressed by Professor Everett C. Hughes:

> "The peoples who have undergone such industrial invasions (Industrial Revolution brought in from outside) are of many kinds. Some have been completely outside the sway of European culture. Others are of the European culture but have stabilized their life about the earlier and simpler institutions of the capitalistic system of production and exchange. The French Canadians are of the latter sort. . . . The French-Canadian province of Canada is, indeed, the seat of North America's most stable and archaic rural society."[1]

French Canadians also clung to this image. Thus, J. P. Beaulieu stated,

> "Quebec, barely half a century ago, a picturesque region in a vast country, over most of its extent farm lands alternated with forest, rivers, villages and freshly cleared colonization centres. This was Quebec little changed from pioneer days with the old ways kept alive from one generation to the other by the rural population. Quebec today is a dominant factor in the Canadian nation. On its skyline the tall chimneys have increased in number and intense activity overflows from plants, factories and workshops."[2]

In 1898 a distinguished French Canadian wrote:

> "In commercial and financial enterprise the French Canadians cannot compete with their fellow-citizens of British origin, who practically control the great commercial undertakings and bank institutions of Lower Canada, especially in Montreal. Generally speaking, the French Canadians cannot compare with the

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[1]Everett C. Hughes. French Canada in Transition (Chicago: University of Chicago Press, 1943), pp. 1 and 3.

[2]J. P. Beaulieu, La Province de Quebec, Industrial Expansion Publication, published by the Province Bureau of Publicity for the Department of Trade and Commerce, September, 1952.

English population as agriculturalists. Their province is less favoured than Ontario with respect to climate and soil. The French system of sub-dividing farms among the members of a family has tended to cut up the land unprofitably, and it is a curious sight to see the number of extremely narrow lots throughout the French settlements. It must be admitted,too, that the French population has less enterprise and less disposition to adopt new machines and improved agricultural implements, than the people of the other provinces.

As a rule, the habitant lives contentedly on very little. Give him a pipe of native tobacco, a chance for discussing politics, a gossip with his fellows at the church door after service, a visit now and then to the county town, and he will be happy. It does not take much to amuse him, while he is quite satisfied that his spiritual safety is secured as long as he is within the sound of the church bells, goes regularly to confession, and deserves all the fetes d'obligation. If he or one of his family can only get a little office in the municipality, or in the 'government,' then his happiness is nearly perfect.

Like the people from whom he is descended--many of whose characteristics he has never lost since his residence of centuries on the American continent -- he is greatly influenced by matters of feeling and sentiment, and the skillful master of rhetoric, etc."[1]

This traditional view of French Canada as an isolated rural folk society has been recently challenged by Professor Philip Garigue. In his study of St. Justin, already analyzed in 1886 by Gerin, Professor Garigue states, "The argument that French Canada is essentially rural in character has been so estensively repeated that

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[1]Sir John Bourinet, Canada. (New York: G. P. Putnam and Sons, 1898), pp. 438-439. (Sir John Bourinet, Clerk of the Canadian House of Commons, Honorable Secretary of the Royal Society of Canada, Doctor of Lettres of Laval University.

it has become a 'myth' supporting numberless assertations."[1] His conclusion is that: "Traditional French-Canadian culture has had traits which allow individual French Canadians to adapt themselves without too great an effort to the industrial changes. French-Canadian culture is a variation of the total North American culture, not something completely different from it."[2]

The facts support Dr. Garigue. True, the materialistic, utilitarian ends which French Canadians attributed to Anglo Saxons was publicly scorned by their leadership.[3] Deepseated cultural antipathies no doubt limited French Canadian participation in the commercialization and industrialization of French Canada. But intellectual opposition did not prevent industrialization from making great strides well before World War II. Capital, entrepreneurship and skill moved into the area from English Canada and the United States (about equally "foreign" to a French Canadian) and

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[1]Philip Garigue, "St. Juston: A Case Study in Rural French-Canadian Social Organization," The Canadian Journal of Economics and Political Science, Vol. XXII, No. 3, August 1956, pp. 317-318.
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[2]Ibid., p. 318.

[3]Pierre Elliott Trudeau, La Province au Moment de la Greve, "La Greve de l'Amiante, Ed. Pierre Elliott Trudeau, Les Editions Cite Libre, Montreal, 1956, p. 12.

"C'est pourquoi, contre une ambiance anglaise, protestant, democratique, materialiste, commerciale et plus tard, industrielle, notre nationalisme, elabora un systeme de defense ou primaient toutes les forces contraires: la langue francaise, le catholicisms, l'autoritarisme, l'idealisme, la vie rurale et plus tard le retour a la terre."

utilized unskilled and semiskilled French labor. The swelling tide of surplus rural population supplied relatively cheap labor. The "technological dualism" typical of underdeveloped areas appeared in the Province of Quebec, with the "modern sector" very largely in "foreign" hands.

> "These conditions are apt to breed such grievances as were expressed by the voice heard by Maria Chapdelaine (highly celebrated literary hero of French Canada, in a novel written by Louis Hemon) forty years ago: "Strangers have surrounded us whom it is our pleasure to call foreigners: they have taken into their hands most of the rule, they have gathered to themselves much of the wealth, but, in this land of Quebec, nothing has changed. . . .The message gathered by Maria Chapdelaine further reads: 'In this land of Quebec naught shall die and naught shall suffer change!'. . . The voice of Peribonka echoes now as a challenge to the spirit of scientific investigation and it suggests that perhaps, in the last forty years, more change has been wrought over this land of Quebec more than many local philosophies may dream of"; and in vivid contrast to it:[1]
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> "The daughter of Maria Chapdelaine who was an ammunition factory worker at Valcartier during the war now lives with her own family of five children in the Rosemont ward of Montreal, Maria's married brothers are employees of the Aluminum Company at Arvida and Shipshaw after having been workers at the Jonquiere pulp plant."[2]

Between 1870 and 1957 the value of manufacturing production grew at an average annual rate of 5.48 percent in Ontario and 5.53 percent in Quebec, with the absolute

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[1]Albert Faucher and Maurice Lamontagne, "History of Industrial Development," in Essays on Contemporary Quebec, J. C. Falardeau (ed.) (Les Presses Universitaires Laval, Quebec, 1953) p. 37.

[2]J. C. Falardeau, "The Changing Social Structures," Ibid., pp. 110-111.

level of manufacturing production in Quebec persistently below that of Ontario throughout the whole period.[1] Exactly the same sort of picture appears for gross farm income. Throughout the whole period 1870-1955, gross farm income shows an annual rate of increase of 2.9 percent in Ontario and 3.2 percent in Quebec. Since 1935, however, the rates of growth of farm income in the two Provinces are virtually identical, so that there is no clear tendency for the gap to close; here, too, Quebec's production lags persistently behind that of Ontario. When it comes to mineral production, on the other hand, while the level of output in current dollars in Quebec remains below that of Ontario, the rate of growth is clearly higher in Quebec; 8.2 percent as compared to 6.4 percent.

Structural Change

Similarly, as shown in the background document, a comparison of structural change in Quebec, Ontario and Canada, in terms of distribution of the labour force among primary, secondary, and tertiary occupations shows no significant differences for the entire period 1911-1961. Between 1911 and 1961, the decline in the relative importance of agriculture in total employment was 27.6

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[1]André Raynauld, Croissance et Structure Economiques de la Province de Quebec, Quebec, (Ministere de l'Industrie et du Commerce,) 1961; and Institutions Economiques Canadiennes, Montreal 1964, especially Chapter 3, "L'Industrialisation du Quebec".

percentage points in Quebec, 26.8 in Ontario, and 27.2 for Canada as a whole. In 1961, the proportion of the labour force in agriculture in Quebec was 9.1%, in the country as a whole 12.2%. In 1870, the rural population as a percentage of the total was 77% for Quebec, 80% for Canada. In 1956, the figures were 30% and 33% respectively.[1] In 1961 the rural population in Quebec had dropped to 26% of the total, compared to 23% for Ontario.

If we wish to explain the persistent failure of Quebec to achieve levels of per capita income equal to that of Ontario or the rest of Canada, we must look elsewhere than at the general structure of employment, or at rates of growth of manufacturing, agriculture and mining.

Clearly, the pattern of industrialization is not a matter of indifference. Professor John Dales of the University of Toronto has emphasized the emergence of an industrial structure as a function of the energy pattern. Gilles Paquet believes that this thesis focuses our attention on an important feature of Central Canada, "possibly giving us the key to the slow growth at the end of the 19th century, but at the same time it provides an explanation of the even slower growth in the Province of Quebec. In a world of coal, steel, steam, Quebec was at

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[1]Andre' Raynauld, Institutions Economiques Canadiennes, op. cit., pp. 81, 85.

a definite disadvantage. It is only with the importance of hydro-power in the 20th century that it will be possible to establish an advantage and to exploit it."[1] It may also be that in Quebec the "growing points" have been particularly capital -- intensive, drawing relatively few people into them in comparison to expansion of output, so that others moving into the industrial sector were engaged in relatively small-scale, low-productivity industrial activities.

Professor Dales has proven to his own satisfaction at least, that differences in basic resources are not the major factor in explaining differences in productivity between Quebec and Ontario. The important factors are "cultural differences" which bring a different, and less efficient, industrial structure. From a table of industrial structure with 18 classifications, each provided in two parts, he finds "the general -- I would say the quite striking -- similarity between Ontario and the United States; and second, the imbalance of Quebec's manufacturing structure." In Quebec, "we have an industrial structure which, by comparison with the United States, is heavily, but understandably, biased towards the wood and paper industries, and even more heavily, and much less appropriately, by tariff fostered textile and clothing

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[1]Gilles Paquet, "Note on the Pattern of Canadian Economic Development," in Notes on Growth and the Canadian Economy. A series of eight lectures on the theory, history, and policy of Canadian economic development. Carleton University, Ottawa, March 1965.

industries. He notes that "serious deficiencies," in the primary metals, other iron and steel, electrical apparatus, and miscellaneous groups. He finds that Quebec's deficiency in the "resource located" industries is only 14% of the total deficiency. "Deficiency" is defined here solely in terms of the comparison with Ontario.[1] But if Quebec has an "inappropriate" structure of industry because of "cultural differences," what are these cultural differences?

Demographic factors

Professor Raynauld finds the major cause of the persistent gap between wage rates in Quebec and in Ontario or Canada in a chronic super-abundance of labour in the Province of Quebec. The super-abundance of labour is traced in turn to the relatively high natural rate of population growth in Quebec, which resulted in a higher rate of total population growth, despite large scale net immigration into Ontario. From 1861 until 1891, the percentage rate of total population growth was higher in Ontario than in Quebec; but from 1891 through 1946 population growth was considerably higher in Quebec than in Ontario. In more recent years rates of growth have been much the same, but somewhat higher in Ontario than in

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[1]J. H. Dales, in Mason Wade, editor, Canadian Dualism: Studies of French-English Relations, Quebec (Laval University Press) 1960, p. 24.

Quebec. For the whole period between 1901 and 1941, the natural population growth of Quebec is estimated at 1,600,000 as compared to 1,137,000 in Ontario. Throughout the whole period 1941-1955 birth rates in Quebec (and especially among the French population) were higher than in Canada as a whole. However, Quebec lost 670,000 people through immigration in this period while Ontario gained 324,000. In the decade 1954 to 1963 the national rate of increase in Quebec was not much above the Canadian average(20.7 compared to 19.1) but in these years Quebec also had net immigration.

The large-scale emigration up to 1950 resulted in a distorted age distribution in Quebec; the bulk of the emigrants were active males. Throughout the whole period from 1881 to 1957, the proportion of the population aged 15 to 64 (roughly, the active population) has been higher in Ontario than in Quebec. In most decades since 1851 the percentage growth of active population has been higher in Ontario than in Quebec, although the percentage growth of total population has been higher in Quebec than in Ontario. Thus the situation in the Province of Quebec has been the same as in many lagging regions in other countries; despite a high rate of net emigration, the high natural rate of population growth leads to rapid growth of the labour force as a whole, resulting in chronic over-supply of labour relative to the increase in demand.

It should be noted, moreover, that Quebec does not lose population through net emigration when employment opportunities in the province expand fast enough. Between 1926 and 1930 as well as after World War II there was a net immigration into Quebec. One important factor is labour force participation rates, which in 1964 were 10% below those of Ontario (Table 4-)This fact alone could explain much of the gap in per capita incomes.

Size of Firm

There is also some evidence that the average size of establishments in the field of manufacturing is greater in Quebec than in Ontario. Both the value added per establishment and the number of employees per establishment was higher in 1955 for Ontario than for Quebec. On the other hand, 27.1 percent of the value added in Quebec is provided by establishments which are bigger than their Ontario equivalents, while 37.9 percent of the value added is provided in plants of equal size of their Ontario equivalent. There is a rough correlation between difference in wages and differences in scale of production over a certain range of scale, but after a certain scale of operation is reached, further increases in size do not seem to bring differences in wage rates.

So far as capital per employee is concerned, the picture is mixed, but there are more industries in which capital per employee is greater in Ontario than in Quebec than there are in which it is greater in Quebec than in Ontario. Professor Raynauld finds a good deal more geographic concentration in Quebec than in Ontario. The city of Montreal alone accounts for nearly 41 percent of manufacturing employment in the Province, while Toronto, the biggest city in Ontario, accounts for only 21 percent. It takes only ten cities to account for 60 percent of manufacturing employment in Quebec, but 30 cities in Ontario. Finally, Professor Raynauld believes that the difference in strength of the trade union movement is part of the explanation of wage differentials as between Ontario and Quebec.

It seems possible that a more detailed examination of the structure of production in Quebec and in Ontario or the rest of the country would show that the differences in income arise, not so much from differences in productivity in the same industries as from differences in the product-mix. Those industries in which Quebec specializes would seem at first glance to be those in which productivity is everywhere lower than in those industries in which Ontario specializes. However, this question will need further study before any firm conclusions could be reached.

Entrepreneurship

Preliminary studies of the structure of ownership and management of Quebec enterprises suggests that what French Canadians have most lacked is entrepreneurship. French Canadians as a group have played an almost insignificant role in the entrepreneurial activity associated with industries in their own Province. Industrialization had been carried out by "foreign" entrepreneurs, such as English, Canadians, Jews, and others who are clearly a "sub-dominant" elite in French Canadian society, whatever they may be in their own. A study made in 1936 of a sample of sixteen hundred firms showed that French Canadian entrepreneurs contributed virtually nothing to the industrial production of the Province. A more recent article analyzes French Canadian firms listed on the stock market. As of September 1955, there are only twenty-six such firms, and they accounted for less than one percent of total shares traded in the two Montreal exchanges. Historical studies indicate that this situation has prevailed ever since the transfer of sovereignty in 1776. One historian states that in the decade following 1780, imports, exports, and the bulk of the interior trade in Quebec City, Three Rivers and Montreal was already in the hands of English merchants, although the English population was then not more than five percent of the total.

Why was entrepreneurial activity taken over by "foreigners?" An answer to this question may emerge from the projected study of Quebec enterprises to be undertaken by the University of Montreal. Meanwhile, there are some theories. Some French Canadian historians have sought to explain the whole matter in terms of conquest. The economic inferiority of the French Canadian community, they say, is the "fatal consequence of being placed in servitude as a vanquished nation, conquered and occupied, reduced to the status of a minority in a country which they did not share." The thesis goes on to point out that the long war between France and England ruined the French Canadians. It was not only a matter of war damage and devastation, but the failure of France to repay the debts she had incurred towards her colony when the war was over. In addition, the bourgeois leaders of French Canada left the colony and returned to France, rather than remain under British rule. Thus the community was deprived in one sweep of its political and economic elite -- the group which might have provided the entrepreneurial class.

As is so often the case in economic development, a "vicious circle" then appeared. Debarred by defeat from full participation in the economic life of the country, French Canadians retreated into their traditions and nurtured French Canadian "nationalism." They comforted

themselves with the superiority of their values and their civilization to those of the rest of Canada. As Monsignor Paquet wrote in 1902, "Our mission is less to manage capital than to preserve ideals; it consists less of lighting the fires of the factories than of maintaining and spreading the luminous fires of religion and thought." In one of its manifestations, this set of attitudes took the form of a "return to the land" movement. As early as 1895, the leading bishop stated that agriculture is the normal estate of man here below, that it is on the farms that man is in most direct relationship with God, and that only through agriculture could French Canadians "accomplish the grand destinies indubitably reserved for them by Providence." A by-product of these attitudes was that a smaller proportion of French Canadians aged 14 to 19 were attending school (in 1951) than in Ontario or the whole of Canada. For those aged 20 to 24, a slightly higher proportion was attending school in Quebec: but relatively few of these were getting technical training of a kind closely related to economic development.

Those members of the French Canadian elite, who were concerned with the preservation of a distinct French Canadian culture and of their own leading role have grown more and more frustrated by the onslaught of industrialization, which they feared would bring the extinction of their vulnerable community. This fear gave rise to the rapid

growth of French Canadian economic institutions and organizations, including a separate Catholic labor movement dedicated to the philosophy expressed by the Rerum Novarum and Quadragesimo Anno. Ethno-provincial nationalism assumed formidable proportions.

Attitudes are changing somewhat with the rise of French Canadian entrepreneurs and capitalists. Open corporations are replacing the traditional closed family firm or incorporated partnership. In addition, World War II brought an accelerated process of acculturation. French Canadians lived and fought side-by-side with English Canadians after common training courses. They learned to appreciate the superiority of English Canadian technical and managerial training. Many of them used their veterans' rights to attend English universities rather than French classical colleges or the two great French universities, although the latter were rapidly revising their curricula to conform more closely to those of leading English Canadian, British, American, and French universities.

After World War II a more favorable attitude towards a capitalistic type of economy found support in influenctial circles of the French Canadian society. The most outspoken exponent of this tendency was the Union National Government itself.[1] The present generation of

[1]See, for example, the forword to a publication of the Provincial Government called Industry in Action in La Province de Quebec, 1955.

"La Province de Quebec believes in diversity of enterprise to assure the welfare of the community. The

French Canadians underwent a radical shift in values. Industrialization was not only accepted but actively promoted by many potent factors in French Canadian life. Even the groups brought up in the traditional rural pattern are now participating in "the awakening." But wide awake people are more given to unrest than dormant people. As Professor E. C. Hughes stated as long ago as 1943:

> On the psychological level, the booming disorderly polyglot American world is an all too convenient scapegoat upon which to cast the aberrations of her own people and culture. Upon the English majority of Canada, upon the imperialism of England, and upon the expanding English-American capitalistic industrial economy can be and are placed the blame for both the disturbance of the old order in Quebec and the inferior place of French Canadians in the new order.[1]

In the postwar period the role of "scapegoat" in French Canada was still divided between English Canadians and Americans. The sense of insecurity so characteristic of societies in transition marks French Canadian reactions to rapid industrialization. Similarities with developing countries are discernable yet French Canada is far from being underdeveloped.

With awakening has also come nationalism: "French Canadian culture is an intricate amalgam of the French

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people of the Province, moreover, are convinced that private enterprise and initiative are the sole foundations of success both for the individual and the nation."

[1]E. C. Hughes, op. cit., pp. 216-217.

heritage, the North American environment, and Roman, British, and American influences. The unifying thread in French Canadian history is the spirit known as 'nationalism,' which is actually an intense provincialism mingled with ethnic and religious factors."[1] How familiar to any student of developing economies is the following statement made by Mason Wade in discussing the impact of industrialization on what he calls "Laurentianism after the first World War":

> With capital and management largely in English-speaking hands, while labor was largely French Canadian, the ethnic feeling aroused by the conscription crisis was heightened by postwar economic development. The French Canadians were left behind in business and industry, for they lacked both capital and training in economics, engineering, and physical science. They found themselves no longer masters in their own house and blamed their situation on ethnic discrimination rather than on lack of qualifications."[2]

A Comparison with the Southeast United States

The American old South, like Quebec, was a "large man's frontier" from the beginning. Plantation society, like society, did not produce the kind of entrepreneurship that could bring rapid structural change.

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[1]Mason Wade, The French Canadians, 1760-1945, (The Macmillan Co. of Canada Ltd., Toronto, 1955), p. vii.

[2]Ibid., p. 863.

In both regions, too, military defeat was followed by a retreat into traditionalism, leaving the door wide open for "carpetbaggers" from the victor groups. One southerner, Professor William H. Nicholls of Vanderbilt University puts it thus:

> In the South as in most underdeveloped countries, the dominant agrarian values long supported a scale of social prestige which placed the land owner, the religious leader, the military leader and the political leader at the top and the man of business down the line. As a result, much of the South's business leadership has been furnished, if at all, from such minorities as the migratory Yankees, and South Highlanders who have been reared in other traditions. The resulting dearth of indigenous business leadership has also protected the large land owner (and even certain industrialists) from new forces which will inevitably weaken his political and economic hold on his rural community, reduce the cheap labor supply so essential to his comfortable way of life, and increase the general public concern for improving the lot of his less privileged neighbors.[1]

Moreover, the "old Southwest" (Alabama, Mississippi, Louisiana, and Tennessee), from the Revolution to the Civil War, was a "large man's frontier" too. With the invention of the cotton gin in 1793, southern planters turned their eyes westward to new sources of land for large-scale farming:

> By the side of the picture of the advance of the pioneer farmer bearing his household goods in his canvas covered wagon to his new house across the Ohio, must therefore be placed in the picture of the southern planter crossing through forests of western Georgia, Alabama and Mississippi,

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[1]William H. Nicholls, Southern Traditions and Regional Progress. Chapel Hill, 1959, pp. 34-35.

> or passing over the free state of Illinois to the Missouri valley, in his family carriage, with servants, packs of hunting dogs, and a train of slaves, their nightly camp fires lighting up the wilderness where so recently the Indian hunter held possession.[1]

The small farmers who first opened up the area were simply bought out, and moved farther west. With the fall of the small independent farmer, the "old Southwest" was ruled by owners of large cotton plantations; for a while, "cotton was king."[2] The comparative advantage of cotton was so marked -- or the comparative disadvantage of other lines of production so apparent -- that the South, alone of all major regions in the United States, came close to constructing an economy based on monoculture, of the kind which exists in and plagues so many underdeveloped countries today. The South also came closest to "technological dualism," with a small elite engaging in plantation agriculture with slave labour and a much larger group of small farmers owning no slaves, who "made very little cash income and cannot be thought of as a regular part of a market economy.[3] In terms of the nature of frontier development and its impact on entrepreneurship, the prognosis for development of the old South and old Southwest

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[1]Frederick J. Turner, Rise of the Far West. New York: Harper and Brother, 1906, p. 92.

[2]cf. Douglass North, op. cit., pp. 68, 123, 128-133.

[3]Douglass North, op. cit., p. 130.

(now lumped together as the Southeast for statistical purposes) would have been less favourable than for other parts of the country, even on the eve of the War between the States. The Southeast was a poor and lagging region long before the Civil War and remained so for several decades after the Civil War, -- longer than any other U.S; region has ever remained in that state. That the war retarded the growth of indigenous enterprise in the South still further there can scarcely be any doubt.

In 1930 per capita income in the Southeast was just over half the national average and less than forty percent of the figure for the Middle Atlantic. During the great depression, however, the Southeast lost less income than any other region, and during the whole period from 1930 to 1960 it has been by far the fastest growing region in the country. During the post World War II reconstruction period, 1946-1950, the regional growth slowed down, the rate of increase in per capita income falling slightly below the national average again; but between 1950 and 1960 the Southeast has again been the most rapidly growing region. In 1960 it was still the poorest region, but per capita income had risen to three fifths of the national average. In terms of enterprise and reaction to military defeat there are some analogies between the story of the American Southeast and the story of French Canada. To quote Professor Nicholls again:

> The Agrarians' indictment of Industrialism charged that through it science was applied to make labor intense, mercenary, servile, and insecure, instead of something to be performed with leisure and enjoyment; to create over-production, unemployment, and greater inequality in the distribution of wealth which could lead only to the super-state; to destroy that relation of man to nature which is conducive to a flourishing religion and vital creative arts; to develop amenities of life as good manners, hospitality, family life, and romantic loves; and to accelerate the tempo and stability of life by a never-ending race between material goods, human wants, and human effort.[1]

He quotes Twelve Southerners in the volume entitled, I'll Take My Stand, as saying "the culture of the soil is the best and most sensitive of vocations and ... therefore ... should have the economic preference and enlist the maximum number of workers.[2]

Southern leaders spoke of "the regional imperialism of the Northeast," and ascribed "all the ills to the outcome at Gettysburgh and Appomattox."[3]

Nicholls also quotes Cash regarding the tendency for the South "to wrap itself in contemptuous superiority to snear down the Yankee as low-bred, crass, money-grubbing, and even to beget in his bourgeois soul the kind of secret and envy of all."[4]

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[1]William H. Nicholls, Southern Traditions and Regional Progress, Chapel Hill, 1959, pp. 34-35.

[2]William H. Nicholls, op. cit., p. 29.

[3]Ibid., p. 31, 63.

[4]Ibid., p. 48.

Slavery and latifundia, never important in the North, were other factors. Douglas North maintains that the relatively undemocratic society associated with the plantation economy of the South explains the striking lag of education investment in the South behind that of the Midwest and Northeast in the period 1815-1860.[1]

Quebec: A dependent or an Independent Economy?

In an attempt to discover whether Quebec is a "dependent" or an "independent" economy, within the Canadian national economy as a whole two sets of time series were studied: quarterly indices of labor income in the post-war period, and annual data of industrial employment from 1925 to 1962. As indicated in chapter two of the background document, the terms "dependence" and "independence" in this context refers to persistent time-leads or time-lags in economic fluctuations.

The quarterly data of labor income for the five major regions of Canada are shown in Chart A. The most striking characteristic of the chart is the over-whelming importance of seasonal fluctuations in comparison to either

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[1]Douglas C. North, The Economic Growth of the United States, 1790-1860, Englewood Cliffs, New Jersey: Prentice Hall, 1961, pp. 9 and 133. In 1840 the ratio of pupils to white population was 5.72% in slave-holding states and 2.13% in the non-slave-holding states. In the former states 7.46% of the white population was illiterate, in the latter 2.13%. In 1850, with about half the white population of the north, the slaveholding states had less than 1/3 as many public schools, 1/4 as many pupils, 1/20 as many public libraries.

cyclical fluctuations or trends. The general configuration of the fluctuations appears to be the same for all five regions. During 1947 and 1948, there was some tendency for British Columbia and the Prairies to lead the other regions, with sharp peaks in the third quarter and sharp contractions in the fourth, reflecting the importance of primary activities in employment in these regions, while the other three regions achieve peak employment in the fourth quarter, presumably reflecting the greater importance of retailing in the employment structure of those regions. In later years, however, even this difference tends to disappear. Between 1951 and 1954 Quebec lagged behind other regions on the downturns. So far as timing is concerned, however, there no persistent pattern of leads and lags appears.

More pronounced differences appear in terms of amplitude. As might be expected, the two regions where employment in the primary sector is most important, the Prairie Provinces and British Columbia, show the most violent seasonal fluctuations. It is also noteworthy that over the period as a whole there is a tendency for the amplitude of fluctuations to increase in both directions. The increase in violence of seasonal fluctuations is shared to some extent by all five regions. Except for the Atlantic Provinces, where there was a general upward trend in labor income throughout the whole period,

peak incomes tended to fall between 1947 and 1952 and to rise in subsequent years. The Quebec pattern differs from the others mainly in a fashion that might be regarded as unfortunate: the increase in amplitude of seasonal fluctuations in Quebec is almost entirely in a downward direction. Peak labor income in 1958 was barely above peak income in 1947. The same is true of Ontario, but Ontario shows a more distinct cyclycal movement, peak income falling from '47 to '52 and rising thereafter. Moreover, the increase in amplitude in the downswing is not nearly so marked in Ontario as it is in Quebec.

While these data may reveal some problem in the pattern of income and employment in Quebec, they do not provide any evidence of dependence or independence of the Quebec economy in relation to other regions.

Annual data of industrial employment: metropolitan regions

Chart B shows the index of industrial employment for five metropolitan regions. Once again the general configuration of fluctuations is essentially the same for all five cities, so far as timing of upturns and downturns is concerned. Even the amplitudes do not vary greatly, except for the city of Quebec, which showed much greater expansion and contraction during the war period than did the other metropolitan regions. Obviously this fluctuation reflects

the introduction and subsequent withdrawal of some purely war-time activity.

Vancouver has a somewhat similar pattern of fluctuations, although much less pronounced than the city of Quebec. Winnipeg, on the other hand, shows somewhat less amplitude of fluctuations than the other cities: Montreal, and Toronto moved together,except that Montreal had a decline in industrial employment in 1954 which was not shared by Toronto, and a sharper contraction in 1958 and 1959 than was the case in Toronto.

What the Chart shows more clearly than anything else is differential rates of growth of industrial employment in the five cities. In the pre-war period what is most striking is the relatively slow growth of industrial employment in the city of Winnipeg between 1925 and 1942. The addition of the war period does not stand the picture substantially so far as Winnipeg is concerned. From the depths of depression until the beginning of World War II Vancouver shows the sharpest increase in industrial employment. During the post-war period, the expansion of industrial employment has been substantially greater in Toronto than in the other four metropolitan regions, with Montreal second, Quebec third, Vancouver fourth, and Winnipeg at the bottom. As of 1962, Vancouver had yet to recover from the 1958 downturn in industrial employment. Once again, no significant leads or lags in the cyclical sense appeared from the analysis.

Industrial employment: provincial data

Chart C shows the same data for the nine provinces, (unfortunately covering only the upswing from '25 to '29, the downswing from '29 to '33 and the recovery up to World War II). Once again the pattern of pre-war fluctuations is essentially the same for all those provinces for which data area available in those years. The war brought increases in industrial employment in all provinces, although there were some differences in the rate of increase, with Nova Scotia showing the most rapid expansion. The post-war picture shows significant differences among the provinces. In 1962 the index of industrial employment in Nova Scotia was actually below that of 1949, and in New Brunswick it was not much above it. Manitoba also shows very little growth of industrial employment since the war. British Columbia registered violent fluctuations adding up to relatively slow growth, higher than in Manitoba, New Brunswick, and Nova Scotia, but less than in the other provinces. During the post-war period the patterns for Quebec and Ontario are very similar to each other, with Ontario showing very slightly more growth over the whole period 1949 to '62 than Quebec. Newfoundland showed the greatest expansion of industrial employment between 1949 and 1952, but with violent fluctuations thereafter, and with a net reduction in

industrial employment between 1952 and 1962. Prince Edward Island showed a very sharp increase in industrial employment after 1956, giving it the second highest percentage growth of industrial employment for the post-war period as a whole.

Once again, these fluctuations have some interest in terms of implications for regional development policy, but do not indicate clearly that any region can be regarded as a chronically leading or lagging region in terms of cyclical fluctuations. The differences in long-run growth rates already noted are by far the most significant factor in explaining the differences in economic behavior among regions during the past forty years. Any conclusions regarding the dependence of income and employment in Quebec on economic activity in other regions in Canada must be based on some other type of analysis -- regional input-output matrices, for example.

STRUCTURAL CHANGE IN CANADA, QUEBEC, AND OTHER PROVINCES 1911-1961

Table ( ) shows the industrial structure, in terms of the proportion of the labor force in agriculture, other primary sector occupations, in the secondary sector, and in the tertiary sector, for Canada and all provinces for census years from 1911 to 1961. The category "other primary" includes fishing, hunting and trapping, logging, mining and quarrying. The secondary sector includes proprietary managerial, clerical, manufacturing and mechanical workers; and the tertiary sector includes professional workers, construction, transportation, commercial, financial, and other services. In this section the term "industry" will be used as a synonym for the secondary sector and the term "services" for the tertiary sector.

Canada

For the Canadian economy as a whole the rate of structural change was very slow from 1911 until 1941. In the earlier year about 39% of the male labor force and about 4½% of the female labor force was engaged in agriculture. In 1941 there were still 31.5% of the males and 2.26% of the females in the agricultural sector. Conversely, the secondary sector grew only from 33.57% of the males (and 37.2% of the females) to 34.57% of the males (and only 37.1% of the females) during these three decades. The services sector showed modest expansion, while the "other primary" sector remained virtually constant. In

1941 Canada was less highly developed, in terms of industrial structure, than is, for example, present day Argentina.

World War II, however, brought rapid change in the Canadian industrial structure. By 1951 the proportion of male workers in agriculture had dropped to just over 19%, while the proportion in the secondary sector was over 40% and proportion in the tertiary sector just over 33%. Among females, in this decade, there was a shift from the services sector into the industrial sector, with little change in the primary sector. This rapid structural change continued through the 1950's. By 1961 Canada has the industrial structure of an advanced country. Just over 12% of the labor force remained in agriculture and less than 4% were in other primary occupations, while over 40% were in industry and about 40% were in services. For females there was a shift from the industrial sector to the services sector in this decade. By 1965 Canada was a rather mature economy, perhaps even with the "climax economy" in sight, considering the strong comparative advantages in agriculture in the Prairie Provinces.

Quebec

In terms of the percentage distribution among these four sectors the structure of the Quebec economy is more mature than that of the labour force Canadian economy as a whole. For all census years since 1911 Quebec had a somewhat smaller share of its labor force in agriculture and in other primary occupations, and somewhat more in the industrial and services

sector, than did Canada as a whole. In 1911 Quebec was already fairly highly industrialized, with just over a third of its total labor force in agriculture and with a somewhat higher proportion of the labor force in the industrial sector. Even in that time the "other primary" category was relatively unimportant in Quebec. Indeed, throughout the five decades, the "other primary" shows least change in the Province of Quebec.

Throughout the half-century covered structural change in Quebec always moved in the same general direction as the Canadian economy as a whole, and for the most part at very much the same pace. However, between 1911 and 1931 industrialization took place faster in Quebec than in the rest of the country taken together. The share of the labor force in agriculture had already dropped to less than 27% for males by 1931. Conversely, the industrial sector had grown from 37% to 41% of the total labor force, and services from 23% to 29% (males). The share of the female labor force in services had also grown, mainly through a relative shift of females out of the secondary sector. Between 1931 and 1941, on the other hand, structural change was slower in Quebec than in Canada as a whole. Indeed, there was a slight "retrogression" in the sense that the share of the male labor force in the industrial sector actually diminished. The share in services increased slightly, the share in "other primary" increased significantly, while the share in agriculture remained virtually unchanged.

During World War I Quebec shared in the rapid structural change which took place in Canada at that time. By 1951 just

over 16% of the male labor force was in agriculture, while 43% were in industry and about 34% in services. This structural change continued in the following decade, as it did elsewhere in Canada, and by 1961 only 9% of the male labor force in Quebec was left in agriculture. Some 3 3/4% was in the other primary sector, almost exactly the same as in 1911. The industrial sector had grown to 44%. The services sector showed even greater growth, to 40% of the males and 48% of the females.

Thus the Province of Quebec is closer to the "climax economy" than the Dominion as a whole. Only limited improvements in productivity and income can now be expected in the Quebec economy through movements off the farms. The need to provide dairy products, vegetables, fresh fruit, poultry and eggs, etc., to the large cities is likely to retain something on the order of 5% of the labor force in agriculture for some time to come. Productivity in the industrial sector is unlikely to be more than double that in agriculture, and in the services sector the difference could be still less. Thus it is unlikely that the move towards a "climax economy" in Quebec would add directly more than 4 or 5% to the gross national product of Quebec. Of course, some of the migrants out of agriculture may move out of the region altogether, and reductions in the size of the farm population will permit improvements in agriculture as well.

Ontario

In terms of its industrial structure Ontario has always been close both to the Province of Quebec and to the Canadian

economy as a whole. However, the Ontario economy has been slightly more "advanced" than either in the sense of having a smaller share of the labor force in agriculture and a larger share in industry, throughout the whole half century. In none of the census years, on the other hand, has the difference been very great.

In 1911 the share of the labor force in agriculture in Ontario was 36.02% compared to Quebec's 36.67%. Conversely, Ontario had 38.43% in industry compared to 36.85% for Quebec, and 21.95% in the tertiary sector, as compared to 22.67% for Quebec. These relative positions have scarcely changed throughout the whole five decades. In 1961 the relative positions were almost exactly the same as in 1911, Ontario having a very slightly smaller share in agriculture, a somewhat bigger proportion in the secondary sector, somewhat fewer in other primary activities, and in services.

Ontario did not share in the "retrogression" between 1931 and 1941; the growth of the secondary sector and the relative decline of the agricultural sector continued throughout this decade. As in the Canadian economy as a whole, structural change was accelerated in Ontario during World War II, and continued after the war. However, structural change was somewhat less rapid during these decades than in Quebec. In Ontario there was a particularly marked shift to services in these two decades, from just under 30% for males to over 40%;for females there was some contraction in the relative

share of the labor force in services, with a corresponding increase in the secondary sector, between 1941 and 1951; and a shift back towards pre-war structures in the following decade. By 1965 the Ontario economy could be regarded as very mature.

British Columbia

In terms of industrial structure as here defined, British Columbia had had the most mature regional economy in Canada ever since 1911. In that year less than 13% of the male labor force was engaged in agriculture, while already nearly 42% were in industry and nearly 29% in services. Under 2½% of females were in agriculture, over 34% were in industry and nearly 63% in services. In the following two decades there was a sharp increase in the proportion of males in agriculture, at the expense of both "other primary," which in 1911 was at the very high figure of 16.8%, and of industry, which fell from 42% to 38%. These figures presumably reflect primarily a shift out of forestry and the processing of forest products to agriculture, as the forest was cleared. Even in 1941 the proportion of the labor force in agriculture in British Columbia was higher than it had been in 1911, and the share in industry was still lower. However, the services sector was relatively greater than in 1911, and the "other primary" was relatively smaller.

British Columbia, like the other regions, experienced a very rapid structural change during and after the war. The

agricultural sector was cut in half, to 7.76% of the male labor force, and the "other primary" sector also shrank considerably. Both the secondary and tertiary sectors showed considerable expansion. The structural change continued during the 1950's, although considerably less rapidly. By 1961 the British Columbia economy was highly mature, with just over 5% of the male labor force in agriculture, another 5½% in other primary, and with 42½% in industry and nearly 44% in services. Less than 2% of the females were in agriculture, less than 1% in other primary, about 41% in industry, and over 54% in services.

Manitoba and Alberta

Manitoba and Alberta both follow the Canadian pattern of structural change, starting with a larger share of the labor force in agriculture and smaller shares in 11 other sectors. At the end of the period they were in the same relative position as at the beginning. The relative positions of these two Provinces remained much the same throughout, except that between the 1911 and 1921 the proportion of the labor force in agriculture actually increased. There was very little change between 1931 and 1941, but very rapid change between 1941 and 1951 as new resource discoveries had their impact. By 1961 both of these Provinces were clearly industrialized, with substantially larger proportions of the labor force in both of the secondary and tertiary sectors than in agriculture. It is

interesting to note that the petroleum discoveries were accompanied by an actual decline in the share of the labor force in "other primary" employment in both of these provinces.

Saskatchewan

The story in Saskatchewan is different; Saskatchewan is a "maverick" among Canadian regions. Of all provinces it shows least structural change during this half century. Indeed, up to 1941 there was virtually none. The secondary sector shrank a little and the services sector grew a little, but the proportion of males in agriculture was actually slightly higher in 1941 than in 1911, and when females are included the proportion for the entire labor force would be almost exactly the same. Conversely, the industrial sector actually shrank relative to the others, while the services sector shows relatively little change. The war did effect the Saskatchewan economy but relatively little. In 1961 there were still 43% of the males and nearly 16% of the females in agriculture. Less than 24% of the males were in industry and only 29% in services.

In that year, among all Canadian Provinces, Saskatchewan still had much the biggest proportion of its labor force in agriculture, and much the smallest proportion in the secondary and tertiary sectors; (for male workers). The proportion of the female labor force in the secondary sector was also smaller than in other provinces, but the proportion of females in the tertiary sector was much the same as in other provinces, and

very close to the average for Canada as a whole. Saskatchewan also had the smallest proportion of workers in the"other primary" classifications, in 1961 as in 1911. Saskatchewan thus remains an "immature" economy, although the continuing emphasis on agriculture no doubt reflects accurately the comparative advantage of this province.

New Brunswick

Structural change in New Brunswick follows the national pattern fairly closely, with a relatively high share of the labor force in agriculture, and a relatively small share in the secondary and tertiary sectors throughout the whole half century. The "other primary" classification has been consistently higher in New Brunswick than in the Dominion as a whole, and has actually increased over the five decades, after an initial drop between 1911 and 1931. The peak figure for the share of the labor force in the "other primary" category was not reached until 1951. Structural change was slow up to World War II, but has been dramatic since. Between 1941 and 1961 the proportion of the labor focce in agriculture dropped from 34% to just over 9%, the most rapid structural change shown by any province in this period. The share in other primary activities was virtually unchanged, and the increases were more or less equally shared between the secondary and tertiary sectors. The services sector was very small until 1941, showing virtually no expansion in the first three decades of the period.

Nova Scotia

The Nova Scotia industrial structure is characterized by a very high proportion of the labor force in primary occupations other than agriculture throughout the whole of the period covered. In 1911 nearly a quarter of the total population was thus engaged. When World War II began the figure was still close to 20%, and while the figure dropped rapidly thereafter, it was still over 10% in 1961, about the same as in New Brunswick, and considerably higher than in all other provinces. Nova Scotia was relatively well industrialized in 1911, only British Columbia having a smaller proportion of the labor force in agriculture, but the proportions in the secondary and tertiary sectors were lower than in Ontario or Quebec. In Nova Scotia too structural change was slow up to 1941, and between 1931 and 1941 the share in the industrial sector actually fell. In Nova Scotia there was a very sharp change in structure between 1941 and 1961. In 1961 Nova Scotia had a higher proportion of its male labor force in services than any other province, and in this sense was more "mature" than other provinces. The proportion in agriculture had fallen to a mere 6.7%, second lowest in the Dominion. The secondary sector, however, was not as large as these figures might suggest, because of the continuing importance of the "other primary" category.

Prince Edward Island

Prince Edward Island is in some respects the most peculiar of all provinces in terms of economic structure. With over 68% of the labor force in agriculture in 1911, and only 14% in industry and 12% in services, Prince Edward Island in that year had an industrial structure of the kind that characterizes under developed countries. Moreover, there was astonishingly little structural change up to 1941. In that year, the agricultural sector still accounted for nearly two thirds of the labor force, "other primary" nearly 7%. The secondary sector showed virtually no change in its relative importance, and the increase in the relative importance of the tertiary sector was very slight. Prince Edward Island shared in the structural change bewween 1941 and 1961, but in the latter year the province still had nearly one-third of its population in agriculture and over 8% in other primary activities. Less than a quarter of the labor force had found industrial employment, and less than a thrid was in the services sector.

There is considerable doubt as to whether it is useful to treat Prince Edward Island as a "region" in itself. In large measure it is simply an agricultural and fishing area of the larger region of the Atlantic Provinces.

Level of Income and Employment Structure

Recent studies have - of economic development - have

brought out the high correlation between the employment structure and the level of per capita income. Dr. L.J. Zimmerman, using data for four years for North America, three years for Northwest Europe, three years for Oceania, and one year each for Japan, Southeast Europe, Latin America, the Far East and Southeast Asia, derived an equation $\log y = 0.0202\ x + 1.3235$ where "y" is per capita income and "x" the percentage of labor force employed outside of agriculture, with a regression coefficient of 0.92. Considering the strength of this relationship it is possible to say something about relative incomes of major regions or provinces in Canada, in years earlier than those for which personal income data are available, from the figures in employment structure. Thus it seems likely that Prince Edward Island has been a relatively poor province ever since 1911. For Saskatchewan, where man-year productivity is relatively high in agriculture, the figures estimates of per capita income derived from the Zimmerman equation may be somewhat misleading. However, even when used with due caution, there would seem to be good reason to suppose that the failure of the Canadian economy to produce significant convergence of per capita income characterized the Canadian economy even before 1926. There is little evidence of convergence of occupational structure of the kind that has characterized the American economy, a fact which conforms to expectations derived from the failure to produce convergence of per capita income among major regions.

Chapter VI. Conclusions: Question of Policy

French Canadians are at economic disadvantage within the Confederation in terms of income, employment, and occupational status. However, the differences in economic status between French Canadians and other can be reduced by a constellation of regional and area development policies, including education, anti-poverty campaigns, anti-unemployment programs, and measures to eliminate sub-marginal farms and to raise agricultural productivity.

The Need for an "Objective Function"

Before an economist can recommend policy, particularly in a field like relations among cultural groups which clearly involves many factors outside the normal scope of economics, he needs an "objective function" (sometimes called a decision-function or a preference-function). That is, he needs from the Government a clear and preferably quannified statement of the relative importance of various goals of national policy, whenever and to the extent that these goals are to any degree in conflict with each other. As yet no such statement of goals is available in the field of bi-cultural and bi-lingualism; presumably it is part of the task of the Royal Commission to assist the Government in formulating such a statement

Assuming that the major objective in the field of cultural relations as such is the reduction of tensions among ethnic groups, certain questions arise immediately regarding economic policy. For example: if analysis shows that easing conflict among cultural groups would at some point involve a sacrifice in terms of per capita income for the country as a whole, how much are the Canadian people (represented by their Government) willing

to pay to reduce tensions (somehow reduced to measurable quantities) by 10%? by 20%? by 30%? by 100%? The same sort of question could be posed in terms of employment and unemployment, balance of payments, price stability, and the like. Fortunately, as the above analysis suggests, over a considerable range improved conditions in the national economy and reduced group conflict can be expected to move together. But a point could be reached where still further alleviation of tensions would involve costs in terms of other goals. Here the social scientist can only try to indicate what the opportunity costs may be; the weighting of objectives as such must be done by the Government in the interests of the electorate they serve.

Similarly, over a considerable range reducing the incidence of unemployment, poverty, and submarginal farming in Quebec, the Atlantic Provinces, and distressed areas in other Provinces where French Canadians predominate, would raise income and employment in the rest of the country as well; but a point could be reached where further pursuit of this kind of policy might entail sacrifices for other Canadians. What sacrifices are other Canadians prepared to make to achieve objective in the field of cultural relations? This question too the Government itself must answer.

In the field of regional and area development policy an important question is, "What value should be placed on people's right to employment and income where they now live?" Clearly the problems of poverty, unemployment and submarginal farming can be more easily solved if people are willing to move. Yet the wish to stay in one's home is one that should be respected--up to a point. What point? Here too the social scientist

can try to measure opportunity costs, and perhaps also to ascertain the value of staying in one's home to the people directly concerned. But the value to Canadian society as a whole of reducing differences in economic status while allowing people to stay where they are, vs. an identical reduction of economic gaps through moving people around, involves judgements of a kind social scientists cannot make.

A related question, of great importance to the Royal Commission and also for regional and area development policy is, "If the objective is to eliminate tensions, should the objective be attained by creating two 'separate but equal' societies within one Confederation, or by creating a genuinely bi-lingual and bi-cultural elite in all parts of the country? With the first approach economic and other policies would be directed towards getting all French Canadians back to Quebec and all others out of Quebec. Canada would then be "bicultural and bilingual" in the sense of having "two solitudes" within the Dominion. The other approach would involve deliberately creating French Canadian communities in all parts of Canada big enough so that not only could French Canadians moving to them count on finding schools, churches, and neighbourhoods where their language prevailed, but also big enough that English Canadians would have the incentive and the opportunity to learn and speak French. Only in this way could a genuinely bicultural and bilingual Canada be developed. It is clearly out of the question for a majority of the population to speak both languages well. It is not out of the question for every Federal and Provincial government official, every University or highschool teacher, every business executive, every doctor, lawyer and engineer to be capable of conversing in either language. But for the

development of such a bilingual "leadership group" there must be opportunities for educated people in Saskatchewan or Nova Scotia to speak French in the normal course of everyday life; and that means being in contact with French Canadians. In this respect French Canadians themselves are somewhat ambivalent. They are increasingly insistent that English Canadians learn to speak their language, but many of them are just as insistent that no French Canadian should leave the Province of Quebec. The two objectives are mutually inconsistent. The whole experience of the last generation--especially in Ontario--shows clearly that teaching French in the schools with no opportunity for regular use of the language after leaving school does not produce bi-lingual people. No doubt French opposition to emigration from Quebec would diminish if French Canadians were assured of the availability of French-language schools, churches, shops, etc. and the general ambience of French Canadian culture, at the other end of the line.

Clearly, the manner in which economic problems of French Canadians are solved depends a great deal on whether the other objective is to concentrate French Canadians in existing large French Canadian communities or to diffuse them, permitting small French communities outside Québec to grow into large ones, and creating new French communities large enough to permit their members to retain their language and their culture and to spread their language and culture to English speaking neighbours.

development of such a bilingual "leadership group" there must be opportunities for committed people in Saskatchewan or Nova Scotia to speak French in the normal course of everyday living, and they seems being in [illegible] Commissioner, in his report Remedy Canadians than-[illegible] English Canadians seem to speak their language, but many of them are not so interested that an French Canadian should lose the Province of Quebec, the two objectives are mutually incompatibleant. The whole experience of the last generation--especially in Ontario--shows clearly that teaching French in the schools with no opportunity for regular use of the language, after a certain point does not produce bilingual people. Moreover French assimilation to anglophone Non Quebec would diminish if French Canadians were assured of the availability of French-language radio, churches, shops, etc. and the general ambience of French Canadian culture in other parts of Canada.

Finally, the number in which economic problems of French Canadians are solved depends partly on whether the other objective is to [illegible] attract large French/Canadian communities [illegible] [illegible] French communities outside Quebec [illegible] French communities large enough to support their desires to retain their language and their culture and to spread their language and culture to English speaking neighbours.

Economic Policy to Promote Bilingualism and Biculturalism

Economic policy can be used, not only to attack the economic aspects of bi-cultural relations, but also to promote ends expressed in terms of bilingualism and biculturalism as such. If for example the Federal Government wishes to promote bilingualism, in the simple sense of increasing the number of people who can speak both languages, there is no reason why the provisions of the income tax which now apply to research and development should not be extended to language training; that is, the Federal Government could permit the deduction from taxable income of 150% of the costs of language training programs introduced by Canadian enterprises. Indeed, so far as the economics are concerned, there would be no reason why the deduction could not be raised to 200%, so as to make language training virtually free to enterprises undertaking it. This principle could even be extended to courses provided in the literature, grammar, history, etc., of the other language groups. A more direct approach would be the subsidization by the Federal Government of training programmes of this kind undertaken perhaps by educational institutions. In addition, special assistance might be provided to French Canadians willing to migrate to new French communities.

Discrimination among ethnic groups to reduce differences in economic status?

It would be possible to design economic policies to attack directly the differences in economic status of various ethnic groups in Canada. Such an approach, however, would be contrary to long-established principles

Federal Policy in Regard to Bilingualism

The Liberal Law

Clearly, policy can be used, not only to attack the economic aspects of [illegible] inequality, but also to a certain extent expressed in terms of bilingualism and biculturalism as such. If for example the Federal Government wishes to promote 'bilingualism' in the simple sense of increasing the number of people who can speak both languages, there is no reason why the provisions of the income tax which now apply to research and development should not be extended to language training; that is, the federal government could permit the deduction from taxable income of [illegible] of language lessons, programs introduced by Canadian universities. Insofar as the economics are concerned, there would be no reason why this deduction could not be raised to 200%, so as to make [illegible] relatively free to enterprises undertaking it. This principle could also be extended to courses provided in the literature, [illegible], history, etc., of the other language groups. A more direct approach would be the subsidization by the Federal Government of training programs of this kind undertaken outside by educational institutions. In addition, financial assistance might be provided to Francophone Canadians willing to migrate to non-French communities.

Is it practicable using public energy to reduce differences in economic status?

It would be possible to design economic policies to attack directly the differences in economic status of various ethnic groups in Canada. This approach, in a sense, would be contrary to long-established principles

of sound economic policy, if not actually unconstitutional. They would be virtually impossible to administer, and they would be more likely to aggravate, than to reduce, inter-group conflicts. For example, a superficially simple device would be to permit differing deductions from income for tax purposes for different ethnic groups. But once started on such a course, where would we stop? If "French Canadians" are to be allowed higher deductions than British, are "British Canadians" in turn to be allowed larger deductions than "Jews", and "Italians" larger deductions than "French Canadians"? How would one establish one's status as "British", "French", "Jewish" or "Italian" for tax purposes? Would a language test be provided by the income tax authorities? And what of people too poor to be reached by income tax? While discriminatory application of income tax would be the most blatant form of such direct intervention, any other legislation which was cast specifically in terms of ethnic groups would ultimately be subject to the same kind of objections.

There would seem to be little sympathy, even among the disadvantaged groups, for this kind of approach to the economic aspects of bicultural problems. In what follows, therefore, we shall assume that the Commission will not be seriously interested in considering this kind of discriminatory economic policy.

An ethnic bias in other policies?

Short of using economic policy to discriminate openly in favor of some ethnic groups and against others, there is still a choice to be made between introducing into general economic policy a bias towards reducing differences in economic status among ethnic groups, and pursuing

of equal economic value, if not actually uneconstitutional. They would be distinctly inoperative to administer, and they would be more likely to aggravate, than to reduce, inter-group conflicts. For example, a superficially simple device would be to permit differing deductions from income for tax purposes for different ethnic groups. Reference started on such a course, where would we stop? If "French Canadians" are to be allowed larger deductions than Britons, are "British Canadians" in turn to be allowed larger deductions than "Jews", and "Italians" larger deductions than "French Canadians"? How would one establish one's status as "British", "French", "Jewish" or "Italian" for tax purposes? Would a language test be provided by the income tax authorities? Or what if people had yet to be reached by income tax? While discriminatory application of the tax would be the most blatant form of such direct intervention, any other legislation which was meant to alleviate in terms of objective groups would qualitatively be subject to the same kind of objections.

Hence such, we do, to little apparently, even among the Liberal-minded persons, for this kind of approach to the economic aspects of minority-group issues. In most fields, therefore, we shall assume that the Commission will not be seriously interested in considering this kind of [illegible] minority economic policy.

In what [illegible] other policies?

Apart from economic policy to discriminate openly in favor of some ethnic groups against others, there is still a choice to be made between a determined, long-range economic policy aims to reduce reducing differences in economic status among ethnic groups, and pursuing

economic policy solely in accordance with other objectives, in hopes that differences in economic status among ethnic groups will be diminished as a by-product. In other words, the question may still be raised as to whether the ethnicity of those affected should be a consideration in the design of economic policy at all. There is nothing in economic analysis that can provide an answer to this question; the answer must be a part of the "decision-function: or "objective-function" of the government as a whole.

Fortunately, because of the high incidence of poverty and unemployment among French Canadians in comparison to the general population, a policy designed to alleviate unemployment and poverty would in itself bring some improvement in the relative economic status of French Canadians. The Federal Government may decide that it would not be appropriate for it to go further than that, leaving it to individual provinces to adopt if they wish policies specifically designed to give greater weight to those measures which would improve the condition of relatively supressed ethnic groups.

It would be the feeling of the present writer that the Federal government and its agencies ought at least to consider the impact of its policy proposals and implementation programmes on relationship among the major ethnic groups, along with other considerations. If for example there are two sites for a defense plant which are equally attractive from all other points of view, but one site will provide income and employment of poor and unemployed French Canadians, while the other would add to income and employment among high-income groups, there would seem to be a strong case for choosing the former site.

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economic policy solely in accordance with other objectives, in hopes [illegible] differences in economic status among [illegible] will be diminished as a consequence. In other words, the question may still be raised as to whether the stability of those affected should be a consideration in the design of economic policy at all. There is nothing in economic analysis that can provide an answer to this question; the answer must be sought in the "[illegible]" functions or "objective-functions" of the government or [illegible].

[illegible], because of the high incidence of poverty and underemployed [illegible] Francois Quesnay in connection to the general population, [illegible] the individual [illegible] poverty could in itself [illegible] attitude of French [illegible]. [illegible] that it would not be appropriate for it to go further than that, leaving it to individual [illegible] a major difference [illegible] specifically designed to give greater [illegible] to those [illegible] increase the condition of productivity [illegible].

It would be the feeling of the present writer that the [illegible] policy [illegible] ought [illegible] to consider the impact of its policy [illegible] and [illegible] performance on relationship among the [illegible] groups, along with other considerations. If for [illegible] [illegible] a [illegible] which is equally attractive [illegible] in other [illegible] of [illegible], but one [illegible] [illegible] and [illegible] of [illegible] Francois Quesnay [illegible], while the other would [illegible] the [illegible] high-income groups, there would seem [illegible] a [illegible] case for choosing the former [illegible]

There are then two possible approaches to national policy aimed at improving the relative economic position of French Canadians: first, to discriminate deliberately in terms of ethnicity in the implementation of other policies, -- for example, to include the proportion of French Canadians in an area or region as one of the "weights" in the allocation of investment funds; or second, to tackle poverty, unemployment, and low productivity farming whereever it exists, letting the chips fall where they may so far as relative impact on various ethnic groups are concerned. If other national objectives are more or less equally served by investment in either of two areas, but economic gaps between major ethnic groups can be reduced more by encouraging investment in one place than in another, there would seem to be good reason to allocate the investment so as to maximize its contribution to the reduction of economic gaps. However, the concentration of French Canadians in particular regions and areas is so marked, and the disporportionality of French-Canadians among the poor, the unemployed, and the sub-marginal farmers is so great, that it might make very little difference in practice which of these two approaches were adopted.

Sources of Dominion-Provincial Conflict in Regional and Area Development

At the very least it would seem that the Federal government should try to avoid actions which would aggravate bi-cultural problems, whenever it is possible to choose alternative measures without sacrificing other national objectives which are clearly of higher priority. The formulation and implementation of Federal government policy has not always conformed even to this minimal criterion in recent years. As pointed out by Premier Lesage, in his Statement to the recent Federal-Provincial

conference, (July 19, 1965) "regardless of the intrinsic value of regional measures planned by the federal government, there is a good chance that they will be based on criteria which frequently have nothing better to recommend them than the fact that they apply indiscriminately and without exception to every province in Canada. We fully understand the grounds for the Government of Canada's decisions in such cases, but we doubt the efficiency of the measures which stem from them. At times, some of these measures may even work to the advantage of already developed areas, at the expense of the outlying regions."[1/]

Premier Lesage went on to indicate some of the more obvious cases of conflict between recent federal legislation and the economic interests of the Province of Quebec. One of these is the "Federal policy on designated areas". As regional planning for the Province of Quebec becomes more comprehensive and more effective, as intended by the Quebec government, the conliicts between the federal policy of designating areas essentially in terms of chronic unemployment, and the Province of Quebec approach through "poles de croissance" will inevitably run into sharp conflict.

As Premier Lesage points out, "the use of fiscal or other incentives in certain designated areas cannot properly be called 'regional policy'".[2/]

[1/] Statement by the Honorable Jean Lesage, Prime Minister, Minister of Finances and of Federal-Provincial Affairs, Federal-Provincial Conference, Ottawa, July 19, 1965, pages 4 - 5.

[2/] Ibid, p. 7.

conférence, July 19, 1967) "regardless of the intrinsic value of regional measures planned by the federal government, there is a good chance that they will be a set of conditions which for months they combine better in federal form. Then the fact that they apply indiscriminately and without exception to every province in Canada. We fully understand the attitude of the Government of Canada in decisions in such cases, but we doubt the validity of the assurance usually given from them. At times, some of these interests are even put to a minimum of already determined means, at the expense of the underlying regions."[1]

Further hearings went on to indicate some of the more obvious areas of conflict between recent federal legislation and the economic interests of the Province of Quebec. One of these is the "federal policy on [illegible] and the effective, is intended by the Quebec government. The difficulties between the federal policy or designating areas of chronic unemployment, and the province of Quebec [illegible] "not a "relationship" with the fiddly run into above conflicts.

As Premier [illegible] points out, "the use of fiscal or other measures in certain areas, [illegible] cannot properly be called 'regional policy'."[2]

[1] Statement by the Hon. John Jones, Prime Minister, Minister of Finance and of Economic and Cultural Affairs, Federal-Provincial Conference, Ottawa, July [illegible], [illegible] page 1 - 2.

Mr. Lesage continues:

> "As soon as it is able to do so, the Quebec government will itself determine, using its own criteria, exactly where it wishes to apply a 'designated area' policy or any other technique for regional development or fighting unemployment. The decisions might then be completed or detailed in discussions with Federal representatives. But, we insist that the grants or tax differential which the Federal government has applied to date under its 'designated area' policy, or which it intends to apply in provinces which endorse the new federal proposals, be available to Quebec, even if in the future we ourselves designate the areas to be affected by such policy.
>
> Naturally, we understand that this will raise a number of technical problems; we are prepared to discuss them in due course with federal representatives.
>
> For the federal government to adopt an attitude contrary to the one which we have just stressed would be tantamount to depriving the provinces of the use of means for regional action, thereby preventing them, at least in part, from playing their rightful role in this field. Any such course would lead us to challenge much more than the current distribution of sources of revenue between governments in Canada: in fact, this would be an additional reason to make a thorough reexamination of the degree of control over corporate income tax which should be exercised by the federal and provincial governments respectively. The study of this question , at any rate, comes within the terms of reference to the Tax Structure Committee and we do not want to prejudge its conclusion." 3/

Encouraging labour mobility

As another example of recent federal legislation which failed to take account of its different and unfavorable impact on French Canada, M. Lesage cited the policy to encourage increased mobility of labour. "This policy," M. Lesage stated, "seems to be based on the assumption that Canada should form a single labour market. The fallacy of any such assumption is shown by the very size of our country and by the

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3/ Ibid, page 8.

regional differences encountered in traveling across it. As for Quebec, there are also cultural and social factors which set our Province apart as a distinct labour market; it is nothing more than healthy objectivity to take these factors into account. For example, it is difficult to obtain any mobility of skilled labour which would be favourable to Quebec if the workers involved are English-speaking; similarly, it is difficult for Quebec's unskilled workers to take up employment in other provinces. Thus, in a system which promotes labour mobility, and in a situation where certain centers of attraction are located outside its territory, Quebec may have to cope with a continuous loss of skilled personnel, coupled with an attendant increase in the relative size of its unskilled labour force." 4/

In other words, if the objectives of a bi-cultural policy were to be pursued simultaneously with efforts to move unemployed or low-productivity employment elsewhere in the country, steps should be taken to assure that French Canadians who respond to these incentives can find at the other end of the line a French Canadian community, where their language, culture, and religious practices can be preserved intact. The policy should also include extensive provisions for training and re-training.

If the problems of bi-culturalism and bi-lingualism are to be solved by the creation of substantial French Canadian communities outside of Quebec, the labour mobility policy would be helpful, provided the other steps mentioned above are taken simultaneously. If on the other hand bi-cultural problems are to be solved by concentrating French

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4/ Ibid, page 13

Canadians in Quebec and English Canadians elsewhere, the labour mobility legislation as it now exists can only be harmful from the standpoint of French Canadians, and so from the standpoint of Canada as a whole, where objectives of national policy regarding bi-culturalism and bi-lingualism are concerned.

It would be possible to go on multiplying examples of failure to consider the bi-cultural aspects of the introduction or implementation of new economic legislation. One of the more obvious, also mentioned by Premier Lesage in his statement, is the question of off-shore mineral rights. Here, it is true, a question of constitutional law may be involved: but there are other cases in which no legal problems arise, and where the friction arose needlessly as a result of simple failure to heed the special position of French Canada and particularly of the Province of Quebec.

Discussion with Quebec government officials revealed such sources of irritation from Federal policy in the area and regional development field as failure of a National Employment Service survey to include an area where "seven to eight thousand people live in eighteenth century conditions"--so that the area was not designated by ADA; a conflict between federally subsidized PFRA community pasture programs and cattle raising in Quebec; failure of Central Mortgage and Housing Corporation to consider French-Canadian tastes in the design of housing units (especially with regard to the relative importance of kitchen and living-room); failure to consider Quebec costs in determining the bonus for winter construction; and so on. The present writer is unable to evaluate the merits of such cases; my point is only that needless irritation of this kind should be

avoided by always studying in advance the possible unfavourable impact of Federal policies on the French Canadian minority.

The Instruments of Policy

In this as in other fields, the most powerful instruments of Federal Government policy are the traditional ones: fiscal, monetary, foreign trade, and foreign exchange policy measures. This is not an appropriate place to evaluate the use of these powerful tools by the succession of Canadian governments since World War II. Let us simply record the fact that in the eyes of professional economists such economic policies were extra-ordinarily good in Canada from about 1936 until about 1946, but have been much less satsifactory during the period following postwar reconstruction. The rather simple aggregative approach which sufficed during World War II has proved to be inadequate for the new problems of the post war period.

For while astute control of the aggregate flow of money through monetary, fiscal, foreign exchange and trade policy can do much to maintain the "high pressure economy" which leads to rapidly rising income and abundant job opportunities, in a country which is so regionally disintegrated as Canada even the wisest of aggregative policies are unlikely to produce a high level of economic performance by themselves. The right aggregative policies are the necessary foundation for the success of all others, but regional and area development policies tailor-made for the peculiar conditions of particular parts of the country are also necessary.

Regional and area development policy at the federal level.

In recent years the increasing concern with regional and area development problems has led to the establishment of several new federal agencies.

The Area Development Agency was established by the Department of Industry Act of July, 1963. It's powers were extended by the Area Development Incentives Act of June, 1965. The original Act established the Department of Industry under a Minister, and set up within this Ministry an Area Development Agency under the direction of a Commission for Area Development. The original act empowered the Minister to undertake research on means of increasing employment and income in designated areas, and to carry out programs and projects to improve the economic development of designated areas that cannot suitably be undertaken by other departments. It also empowered the Governor-in-Council to authorize and direct departments, branches and agencies of the Government to undertake special measure to facilitate economic development in any designated areas.

The areas for special assistance were first designated solely in terms of chronic unemployment and assistance was limited to reductions in effective rates of taxation on private enterprises undertaking to establish new ventures within the designated areas. The legislation of June, 1965, went further, and provided outright development grants for private enterprises establishing undertakings in designated areas.. The grants are exempt from income tax and are not excluded from capital costs up to one million, and one fifth of amounts above a million up to five million. The grants are also available for expansion of existing grants provided it contributes appreciably to improving income and employment opportunities in the area.

When this legislation introduced the Department of Industry also announced its intention to achieve closer cooperation among the firms receiving these financial incentives, the interested provincial authorities

and the national employment service, so as to assure effective planning to meet the long-term man-power needs of the new industries as well as their immediate requirements. As part of this new man-power planning aspect of the Area Development Program the Department of Labour undertook joint surveys with provincial and local authorities to assess training needs and facilities. Provisional for assistance to Provinces with training activities is provided under the technical and vocational training assistance act.

The definition of designated areas has also been expanded. The provisions of the legislation are now available in areas where unemployment is very severe; in areas where there has been a large, persistent decline in the number of people employed; in areas where unemployment is substantially above the national average, and the rate of increase and employment is substantially lower than the national average; and in areas where under-employment is reflected in income levels well below the national average.

In August of 1965 the Minister of Industry spelled out in more detail the criteria on which areas are to be designated. These areas may now be national employment service areas, counties, and census divisions which meet one or another of the following conditions:

(a) a National Employment Service area in which for the most recent five years:

(i) the unemployment rate is at least 200 per cent of the national average; or

(ii) the unemployment rate is at least 150 per cent of the national average and the rate of employment

growth is less than one-half the national averge rate;

provided that the average annual family income in the area is less than the national average family income ($5,449);

(b) a National Employment Service area in which for the most recent five years employment has declined in an annual rate of more than 10 per cent;

(c) (i) a National Employment Service area in which the average annual family income is below $4,250;

(ii) a National Employment Service area in which 40% or more of all families have an average annual income below $3,000;

(d) a county or census division in which the average annual family income is below $4,250, provided it is contiguous to areas that are designated by the foregoing criteria and which together with these areas form economic regions or districts;

(3) a group of National Employment Service areas traditionally recognized as a distinct geographic and economic region which, considered as a whole, meets the foregoing criteria;

(f) a National Employment Service area which was designated under Order in Council P.C. 1963-1323 of the 4th September, 1963, and which had an average unemployment ratio in the area, relative to the national average, which was not lower in the most recent twelve months than the average unemployment ratio for the most recent five-year period.

[illegible]

[illegible]

provided that the average annual family income in the area is less than the national average family income ([illegible]);

(b) a National Employment Service area in which for the most recent five years employment has declined or an annual [illegible] of more than [illegible] per cent;

(i) a National Employment Service area in which the average annual family income is below $4,250, or

(ii) a National Employment Service area in which 40 per cent of all families have an annual income below $3,000;

(c) a county or census division in which the average annual family income is below $4,250, provided it is contiguous to areas that are designated by the foregoing criteria and which together with those areas form economic regions or districts;

(d) a group of National Employment Service areas that may be considered as a distinct, contiguous economic region which, considered as a whole, meets the foregoing criteria.

(e) [illegible] under Order in Council P.C. 1963-1125 of the 4th September, 1963, and which had an average unemployment rate in the area, relative to the national average, that was not lower in the most recent five months than the average unemployment rate for the most recent five-year period.

The new legislation together with the recent regulations go about as far as is possible under federal legislation which sets out to provide assistance in terms of simple and uniform quantitative principles of designation of statistical areas. It makes some contribution to alleviating the problem of differentials in income and employment among ethnic groups. Thus only three counties and seven national employment service areas were designated in Ontario, the Province with the biggest share of the national labour force. Yet in New Brunswick, a much smaller Province, nine national employment service areas and one county were designated, covering a large proportion of the area in that small province where French Canadians are concentrated. In Quebec 22 national employment service areas and three counties were designated, far more than any other Province. Thus the administration of the legislation by the very fact of being directed towards unemployment and low incomes, does discriminiate in favor of French Canadians.

Defects in the ADA approach

The importance attached to having a simple, measurable criterion to be applied uniformly throughout the country is in accordance with Canadian traditions and is understandable in terms of administrative problems under existing arrangements; but it is totally inadequate in terms of development policy, either national or regional. Virtually every economist commenting on this policy has pointed out that the presence of large-scale or chronic unemployment in a particular area is in itself no recommendation for encouraging investment in that area. More than any other aspect of Federal regional and area development policy, the ADA

approach as presently constituted seems likely to run into conflict with integrated regional development policy at the provincial level.

T. N. Brewis in an essay on "The Problem of Regional Disparity", has this to say regarding the Area Development Agency (ADA) approach to area development:

> "We need, in my view, not a blanket form of assistance to all areas suffering from chronically high unemployment--which is what we have at the moment--but rather a program of assistance based on the specific needs and potentialities of individual areas. This will entail a substantial element of discretion on the part of the policy administrator, but such discretion in my view is indispensable if we are not to misallocate resources. Not all depressed areas are alike. There is no point in treating them as though they were...Whatever our views on the desirability of inter-Provincial migrations specially, we cannot escape the implications of industrial development on population movement. Whether such is our intention or not, once we embark on regional development policies we are, in effect, committing ourselves to actions which will influence the distribution of population. At the outset, therefore, it is worth giving some thought to the sort of population distribution that we want...In summary, then I would recommend the abandonment of reliance on unemployment levels as a sole criterion for designating an area and would include income and evaluation of growth potential; secondly I would recommend a substantial measure of flexibility to permit aid to be tailored to individual needs and not be just uniform across the country; thirdly, I would advocate what seemed appropriate, not only a combination of national employment service areas, but the designation of a whole province; and finally, I would urge that the Federal Government give more thought specifically to the question of population distribution and furnish some indications of its objectives in this regard". 5 /

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5 / T. N. Brewis, "The Problem of Regional Disparity"

It is important to distinguish between what may be called a "relief" approach to area development and what may be called a "development" approach. With a "relief" approach, efforts are made to raise income and employment of designated areas simply because people there are less well off than in other parts of the country, even if these efforts may bring a net reduction in income and employment elsewhere. With a development approach, an effort is made to raise productivity and incomes in poor or lagging areas in such a way as to contribute to the development of the entire regional economy, and in the national economy as well. In this latter approach, investment undertaken primarily to raise income and employment in poor or lagging areas may actually be made in another area altogether, counting upon the spread effects of such investment to raise income and employment in the designated area.

Professor T. Wilson has suggested that measures to assist less prosperous regions should, where possible, be so designed as to be consistent with the more general objectives of national industrial development.6/

He points out--rightly--that economists have no basis for complaint if national policy goes further and undertakes to improve conditions in the poorer areas even at the expense of the richer ones. If the costs are clearly stated and understood, and if there is a clear-cut decision to redistribute income among regions, there is no foundation

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6/ T. Wilson, Financial Assistance with Regional Development, (Report Prepared for Provinces Research Board, Fredericton, New Brunswick, 1964.)

for objections on purely economic grounds. However, Wilson adds, "the fact remains that the case for assisting the less developed regions will be all the stronger if assistance can be given in a form which does not involve a conflict of objectives and does not call for the permanent subsidization of these areas by the rest of the country." The present writer concurs heartily in both of these statements.

Focal Points of Growth

Area planning in Quebec leans heavily on the French concept of "poles de croissance" or focal point of growth. This approach is completely anti-thetical to "rural social work". Professor Wilson discusses the role of focal points of growth in promoting the development of an area or region in these terms:

> "There are various reasons, most of them really familiar enough, for believing that industrial development usually requires some concentration of man power in centers of growth. It is true that a few very small and isolated factories employing only a handful of workers may survive, because they enjoy some special local advantage, but it would be unrealistic to suppose that any substantial program for economic development could rest on so narrow a base."

(It should be noted that Francois Perroux, father of the concept of the "poles de croissance" also thought of his focal points of growth in terms of sizable groupings in dominant firms.)

Professor Wilson points out that in central Scotland the plans for centers of growth involve populations of 75,000 to 100,000, in addition to the two large cities of Glasgow and Edinburgh. An impoverished, thinly populated, isolated and resource-poor county does not become a "focal point of growth" simply because the people are in need of help.

Professor Wilson objects to the selection of designated areas in terms of high and chronic unemployment. "As a consequence," says Professor Wilson, "most of the more promising centers in the Maritime Provinces have been ommitted, such as Halifax, Dartmouth, Saint John, and Moncton. Even St. John's Newfoundland is excluded because it falls within an employment service district where unemployment did not reach the high standard set."

Heavy unemployment has not been the only qualification for a "designated district". If employment grows by more than half the national average over the past eight years, the area does not qualify for special assistance. Yet a district which meets requirements in terms of average unemployment could be designated if its employment had decreased or unemployment increased in the past three years. "In short," Wilson comments, "in selecting the districts in which Federal inducements to secondary industry were to be offered, no regard at all was paid to the potentialities of those places."

There may be good reasons why employment is falling in a particular area and it may be bad policy to direct special assistance to that area. Towns that may become focal points of growth should not be excluded simply because they are already fairly prosperous. On the contrary, says Wilson, "they should be viewed in a wider context and assisted as a means of bringing greater prosperity to a whole region".

True, such a policy implies that some part of the population should move into the centers of growth. But without mobility the policy will not succeed. If this appears a hard doctrine, it is right to add, without mobility, no policy will succeed.

Wilson recommends that the effort for development of poor and lagging areas should be a joint one between the federal and provincial governments. He also recommends the establishment of "one or two factory parks" at growth centers in the Atlantic Provinces. Presumably his recommendation would also apply in other provinces where there is a need to raise income and employment in particular areas. Finally, Wilson recommends collaboration on public investment plans by provincial and federal governments.

In short, there are sources of conflict between the Federal policy of providing investment incentives in designated areas and rational regional planning. As Quebec, the Atlantic Provinces and other Provinces become more deeply involved in area and regional planning within their own borders, conflict with Federal area development policy is bound to arise unless the Federal approach is changed.

The Atlantic Development Board was established by the Atlantic Development Board Act of December, 1962. The original Board had five members appointed by the Governor-in-Council. The Act stated specifically that while the Board is financed from Federal funds it is not an agency of the Federal government nor are members of the Board a part of the public service. The revision of July, 1963, increased the number of members of the Board to 11, the Board remaining as a public corporation, and established the Atlantic Development Fund with an initial capital of $100 million. The legislation is quite broad so far as the use of the Fund is concerned: It is to be used "for the purpose of financing and assisting in financing the undertaking and the carrying out of programs and projects, that, in the opinion of the Board, will contribute to the

growth and development of the economy of the Atlantic Region and for which satisfactory financing arrangements are not otherwise available." So far as the legislation is concerned, the Fund could be used to provide capital assistance to private enterprise. In practice, however, the Board has preferred to use the bulk of its funds to assist private enterprises through financing the infra-structure. The larger grants have gone to hydro-electric power and transportation. Smaller grants have been made to provide facilities associated with food processing industries.

The Act provides that the Board may "prepare in consultation with the Economic Council of Canada an over-all coordinated plan for the promotion of the economic growth of the Atlantic Region". The Chairman of the Board is a member of the Economic Council of Canada. Initial research leading towards such a comprehensive plan is underway.

The Atlantic Development Board and its Fund can clearly contribute to the reduction in economic differentials between French Canadians and others by assisting in the development of those areas in the Atlantic Provinces, and particularly in New Brunswick, where there are large concentrations of French Canadians. By the same token, however, its contribution to bi-cultural problems is geographically limited. The question may be raised as to whether it would be desirable to establish a Quebec Development Board with similar functions and responsibilities for the Province of Quebec.

The Federal Agricultural Rehabilitation and Development Act was passed in December, 1961, establishing the Agricultural Rehabliitation and Development Agency. Under this legislation ARDA, through a bilateral agreements with the Provincial governments, may pay two-thirds, one-half or

one-third of the costs of agricultural rehabilitation programs and projects. The ARDA program is under the Ministry of Forestry, and programs and projects receiving Federal assistance must be approved by the Ministry of Forestry or his designate. A sum of $125 million for allotment to the Provinces has been provided, but with a limitation to total expenditures of $25 million by the Federal government in any one fiscal year. In addition, the Federal government has set up a special fund for rural economic development in the amount of $50 million to finance major development projects in all Provinces.

The allotment to each Province is made on the basis of a formula, with an initial amount of $375,000, increased in accordance with the ratio of rural population of the Province to the total rural population ofthe Dominion,the ratio of rural non-farm families with less than 3,000 dollars income relative to the Dominion total, and the proportion of the total number of farms having a capital value of less than $25,000 and annual sales of farm products of less than $3,750.00. The Provinces may submit either an annual over-all program for approval or individual projects.

The legislation has among its objectives the promotion of physical, social, and economic research related to agricultural rehabilitation. Efforts to formulate comprehensive rural development plans are acceptable as "programs" under the Act, as are feasibility studies for individual projects. Another objective of the legislation is "the establishment of viable farms through the enlargement, consolidation, regrouping and basic improvement of sub- arginal farms." A third objective is to re-establish rural people in effective employment and income opportunities.. In this

connection the Federal government will assist infinancing allowances for transportation, and living costs for people undertaking re-training. The Federal government will also assist in meeting travel expenses of a specialized corps of Rural Development Officers within the Provincial government administrations. It also covers such agricultural development projects as establishment of pastures, community foliage, forests, and recreation areas. For projects of this kind the Federal government will assume 100% of the total costs. Federal funds may also be used in comprehensive programs in special rural development areas. Finally, the funds may be used to build up public information services related to the program.

The National Housing Act

Mention should also be made of the National Housing Act, including its urban renewal provisions. As noted above solving the economic problems of French Canadians is likely to involve some geographic movement of French Canadians, at least within the Province where they are now located and possibly between Provinces. In the creation of new French Canadian communities, sufficiently integrated and attractive to justify moving to a new job in a new plane, the provisions of the National Housing Act can clearly be of considerable use.

Need for Integration

While the Federal Government has several pieces of legislation and several organizations capable of encouraging and directing area and regional development--including urban development--it does not yet have a regional development policy, nor a national urban policy, nor a single agency with powers to co-ordinate the various federal government activities

effective at the provincial and local level into a coherent and systematic policy. The Dominion-Provincial Conference can of course be helpful in this respect, but without a permanent secretariat and a clearcut directive its integrating functions are necessarily limited. The Economic Council could conduct research and make recommendations but has no powers of implementation. Quite apart from questions of biculturalism and bilingualism, there would seem to be a need within the Federal Government for co-ordinating machinery in the field of regional and area development.

ARDA-Quebec: Format for the Future?

In June, 1963, the Province of Quebec passed its own ARDA legislation. Aménagement Rural et du Developpement Agricole (ARDA). It authorized the Minister of Agriculture and Colonization, who is the Minister concerned with negotiating ARDA programs for the Province of Quebec, to elaborate plans for economic, technical and social progress in rural regions and to undertake research towards this end. The first document issued by ARDA-Quebec, in May, 1965, presented extracts from the convention signed by the governments of Canada and of Quebec and presented the intrepretation of the Quebec government of the fashion in which this entente would be executed in its first stage.

With respect to the division of responsibility between the two governments the document states that the major role of the federal government will consist of review and ultimate approval or rejection of programs submitted by the government of Quebec; and transmitting to the Province the financial contributions foreseen in the entente to meet the costs of approval programs. Planning and implementation of projects and programs were to remain the function of the government of Quebec. The Provincial government would forward projects suggested by local and regional organisms and establish an order of priority, taking count of the needs and characteristics of diverse regions within its territory; it would initiate programs and projects designed to achieve the objectives of the ARDA legislation; it would submit projects and programs for the approval of the Federal government, and execute approved programs and projects.

From the beginning, ARDA-Quebec undertook to bring into the planning process the people actually to be affected by the execution of particular projects. The Quebec government laid considerable stress on the point that any projects proposed should ultimately be part of a plan of "a certain scope" [certain envergure]; that is, a plan prepared for example by a particular group of farmers having identical problems, or a group of citizens interested in the preparation of a site for tourism, interested in bringing into use a particular resource, etc.

The availability of funds under the ARDA legislation that the majority of projects could be undertaken with these funds would be of interest to several ministers led to the formation of the "Comité Permanent d'Aménagement des Ressources" [CPAR]. This Committee includes the Ministries of Agriculture and Colonization, Tourism, Hunting and Fishing, Industry and Commerce, Natural Resources, Lands and Forests, and Roads. The Deputy Ministers are the actual members of CPAR. The basic research is done by the ARDA administration, but priorities are determined by the CPAR.

In the section dealing with research the standard agreement between the federal government and the provinces refers to "the formulation of comprehensive rural development plans". The ARDA-Quebec document states that Quebec has no intention for the moment of preparing comprehensive plans except for the area covered by the Bureau d'améragement de l'est du Quebec [BEAQ]. The government wishes to evaluate the experience of this pilot project before extending such activities to other parts of the Province. Again, with respect to "the acquisition of farm land of low capability for agricultural use for conversion to a more effective use",

from the government, Abbé-Jongen undertook to bring into the planning process the people expected to be affected by the execution of certain projects. The Quebec government initially considered these as the joint [illegible] planned should, it seemed, be part of a plan of "a certain scope" [or this is required]; that is, a plan prepared for [illegible] by a particular group of farmers for identical problems, or a group of citizens interested in the preparation of a plan for tourism, [illegible] or relating [illegible] a particular [illegible], etc.

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the ARDA-Quebec document says that CPAR, in close collaboration with the Ministries principally concerned, intends to consider demands for acquisition of farm land only when these are a part of a regional program "of a certain scope". Similarly, with respect to the development of land acquired under this section, particularly for conversion to community pasture, the Quebec government feels that its experience with collective pastures is such that any such action must be limited to certain specific regions. With regard to agricultural credit, it is pointed out that Quebec already has an office of agricultural credit, and that existing facilities must be taken into account. With respect to part three of the standard agreement, concerned with rehabilitation, the Quebec government states that within this sphere, it will consider only projects which are integrated into a general local or regional plan. In the same vein the Quebec government states that with respect to projects aimed at increasing income and employment opportunities the Quebec government for the moment intends to consider only those demands which comprise a part of a local or regional program "of a certain scope".

In short, the Province of Quebec is feeling its way towards a system of comprehensive regional planning, and does not intend to have its progress in this direction hampered in any way by the limitations that may be involved in federal legislation. In the case of ARDA there would appear to be no real conflict between the federal legislation and provincial autonomy in the field of regional development. According to Jean-Baptiste Bergevin, Assistant-Deputy Minister for ARDA of the Department of Agriculture and Colonization, "The responsibility of the federal

the Management Research Service (MRS), in turn, in turn collaborating with the Ministries principally concerned, intends to consider demands for acquisition of this land only when there has been a prior national program "of a certain scope". Similarly, with respect to the determination of land required under this section, particularly for conversion to community pasture, the Federal government feels that its responsibility with relative previous is such that any such action must be limited to certain specific areas. This method is considered important, it is, needed for the Canada Grazing Act and has benefited the Federal credit, as the existing facilities are in fact the common, with respect to part three of the proposed legislation, the Federal government feels that filling the gaps of will apparently only provide a [illegible] for a [illegible] based or a national plan. In case there was the prime [illegible] which [illegible] to progress aimed at increasing income and employment opportunities [illegible] government [illegible] for the [illegible] in a region only [illegible] a part of a broad or regional program of [illegible] scope".

In short, the Federal Government is looking for way to [illegible] a system of [illegible] planning, and does not intend to have its powers in this direction [illegible] by the directions that may be imposed in future legislation. In the case of ARDA there would appear to be no real conflict between the Federal legislation and provincial authority in the field of [illegible] development. According to Jean-Marie Morrison, Assistant Deputy Minister of ARDA of the Department of Agriculture and Conservation, "The responsibility of the Federal

government as such was rather negligible as far as running of the BAEQ experiment is concerned." 7/ Mr. Bergevin adds, significantly, "If Mr. Lesage was in a position at the last federal-provincial conference to announce that in one year's time Quebec would have a definite policy as regards regional development, it is because the BAEQ experiment has provided the government with a golden opportunity to test the practicability of various theories." 8/ In this respect, the ARDA legislation, the accord between the Dominion government and the Province of Quebec, and the accord by the Provincial Government, may well provide a model for collaboration between the Dominion and the Province over the whole field of regional and area development.

Need for permanent organization

It seems desirable to have some permanent organization within the governmental structure to consider the impact of proposed new policies, and of the implementation of existing legislation, in terms of bi-cultural relations. Most Canadians recognize the seriousness of the constitutional crisis, and admit the need to find some way of meeting the special needs of French Canadians within a workable Confederation, a form acceptable to other Canadians; but very few Canadians involved in the decision-making process, government or in private enterprise, seem much concerned with the relationship of their own day-to-day operations to bi-cultural problems. Yet the relationship between French Canadians and others is an aggregation of all the individual decisions in the public and private sectors.

7/ "Gaspe-A Case Study"; paper presented to the seventeenth annual conference of the Institute of Public Administration of Canada, Winnipeg, September 10, 1963, p. __.

8/ Ibid, p. 12.

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[illegible]

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[1] [illegible] study", paper presented to the [illegible] Annual Conference of the Institute of Public Administration of Canada, [illegible] September 10, 1965, p. [illegible]

[2] Ibid., p. 11.

If indeed the reduction of tensions among ethnic groups in Canada is accepted as an objective of national policy, the Federal government must continue to occupy itself with this range of problems after the Royal Commission has submitted its report. There should be some continuing machinery, with a small group of properly qualified experts in various fields, to advise government of the possible implications of policy in terms of bi-cultural relations, so that these factors are at least taken into account when policy is formulated or executed.

A national policy of seeking to reduce differences in economic status of French Canadians and others through area and regional development policy means essentially treating the Atlantic Provinces and Quebec as "regions" whose rate of economic growth is to be accelerated, with special attention to sub-regions within the Atlantic Provinces and Quebec which either have particularly pressing problems of unemployment, low incomes, or low agricultural productivity, or conversely, which offer particularly promising potential for economic growth, of a kind which would generate spread effects to the rest of the region. Thinking in terms of a campaign against poverty, unemployment, and submarginal agriculture, a policy would also involve some attention to sub-regions in the Prairie Provinces, and perhaps also in British Columbia and Ontario, which are either particularly distressed, or offer particularly promising possibilities for expansion.

If we speak of a national policy for reducing gaps in regional economic status, however, we are by definition talking about some redistribution of developmental investment as between the richer regions and

If indeed the retention of "distinct" minor ethnic groups in Canada is accepted as an objective of national policy, the federal government must continue to accept liegeid with the consent of provinces after the Royal Commission has submitted its report. These should be some continuing machinery, with a small group of properly qualified experts in various fields, to make a continuous of the possible implications of policy in terms of bi-cultural relations, so that these factors are at least taken into account when policy is formulated or executed.

A national policy of seeking to reduce differences in economic status of French Canadians and other Canadians and regional development policy must necessarily proceed to eliminate Provinces and Quebec as "regions" whose rate of economic growth is to be accelerated with special attention to sub-regions within the Atlantic, Northern and Lower which, either because overwhelmingly pressing problems of economic, for instance, or low participation generally, or concentration which offer exceptionally promising potential for economic growth, of a kind which would generate spread effects to the rest of the region. Therefore in terms of a campaign against poverty, unemployment, and sub-marginal agriculture, a policy would also involve some attention to sub-regions in the Prairie Province, and perhaps also in British Columbia and Ontario, which are either particularly disadvantaged, or offer particularly promising possibilities for expansion.

If, as a part of a national policy for reducing sub-regional

[illegible]

distribution of development, government as between the three [illegible]

the poorer ones. In effect, we are speaking of a system of "foreign aid" from the Federal government to the "developing reigons" within Canada with funds provided by the richer regions. The "foreign aid" would involve capital assistance in support of regional development problems, and perhaps technical assistance as well, whereever the human resources at the Provincial level are inadequate. Such a policy also implies, as it does at the international level, abandoning a concept of identical, unified, or equivalent policies throughout the nation, based on formulae and simple criteria, in favor of deliberate discrimination and differentiation in favor of those regions which are most disadvantaged. Hopefully, the range of administrative discretion could be limited by a clear statement of principles in the legislation, as is the case in the foreign aid programs under the auspices of the United Nations, Canada, the United States, the Organization of American States, and similar programs.

The question is, then, how best can the two objectives of providing for a continuous "watchdog" activity within the federal government, to make sure that no unnecessary disadvantages for French Canada are written into economic policy legislation, or arise out of the manner in which such legislation is implemented, and the objective of achieving a species of capital and technical assistance from the federal government to the poorer regions, financed essentially by the residents of the richer provinces (we are not talking here about territory as such; as shown in the analysis in the background document, in the Canadian case a reduction of gaps between the levels of income and unemployment in rich regions and poor

the power mode. In effect, we are speaking of a system of "foreign aid" from the federal government to the "developing regions" within Canada which funds provided to the former regions. The "foreign aid" would involve central assistance in support of regional development problems, and capture technical assistance as well, wherever the human resources at the technological level are lacking. "Aid" would vary in kind, as it does at the international level, comprising a combination of loaned, granted, or equity capital, thereby the nations based on formal and simple criteria, in favor of neighboring industrialization and development in favor of those regions which are most [illegible] to limited by a close assessment of priorities in the implementation, as is the case in the foreign aid programs under the auspices of the United Nations, Canada, the United States, the organization of American States, and similar programs.

The question is, then, how best can we [illegible] the objectives of providing for a continuous "catch-up" activity within the federal government, to [illegible] economic policy implementation, or [illegible] out the manner in which implementation is implemented, and the objective of achieving a [illegible] capital and technical assistance from the federal government to the former regions, [illegible] by the resistance of the richer provinces [illegible] and [illegible] bear about [illegible] in the [illegible] in the [illegible] development, [illegible] a reduction of [illegible] between the levels of income and employment in rich regions and poor

would make the rich regions richer, not poorer; such a reduction in gaps is necessary, at this stage of Canadian economic development, for the acceleration of the growth of the national economy as a whole. The "redistribution" involved is a relative one, not an absolute one. While growth in poor regions is raised, let us say, from 2 to 4 percent annually, in rich regions, it might rise from 3 to 4 percent. In any one year, however, such a policy means the appropriation, (or relinguishment) of federal funds in order to increase investment in the poorer regions, or possibly in other regions if it is known that the "spread effects" from other regions to the roorer regions are substantial.

The achievement of this objective will probably require an increase in provincial responsibilities, for both the planning and the implementation of regional development. Under a system of federal government assistance to regional development plans, there would really be no need for federal programs such as ADA and ARA; these would be replaced by industrial and agricultural development projects within the regional development program. The provincial governments would need enough fiscal powers to permit them to adopt patterns of economic and social development different from those in other parts of the country, corresponding to the tastes of the people of the region and to the differences in basic economic and social situations. Where, for example, private entrepreneurship is deficient in one region governments should have sufficient fiscal powers to permit a higher ratio of public to private enterprise in that region than in others, at least until the shortage of private entrepreneurship has been overcome. Moreover, some provinces

would [illegible] investment [illegible] with a product [illegible] is [illegible]. [illegible] region [illegible] ment, for the [illegible] as a whole. The [illegible], not an absolute one. While [illegible] raised, let us say, from [illegible] to 4 percent annually, [illegible] it might [illegible] from 3 to [illegible]. In [illegible] policy means the appropriation, (or [illegible]) of [illegible] funds in order to increase investment in the [illegible] if it is known that the [illegible] for the [illegible] regions are substantial.

The [illegible] of this objective will probably require [illegible] in [illegible] between the planning and the [illegible] of [illegible] development. Under a system of federal grants [illegible] in [illegible], there would [illegible] for [illegible] purposes such as [illegible] and ARDA; these would be [illegible] and agricultural development projects within the region [illegible]. The provincial governments would need enough [illegible] patterns of economic and social [illegible] from those in other parts of the country [illegible] of the people of the region and to the differences in [illegible] and [illegible] situations. Thus, for example, [illegible] is [illegible] in the region [illegible] governments should have [illegible] to permit a higher ratio of public to private [illegible] in that region than in others, at least until the shortage of private entrepreneurship has been overcome. Moreover, some provinces

may simply want a larger public sector than is typical of other provinces for political and social reasons. If so, they should be able to give expression to this preference. On the other hand, the federal government must retain sufficient fiscal powers to permit it to achieve national objectives which cannot properly be allocated to the provinces, (such as national defense, post office administration, etc.) and also to achieve a substantial redistribution of financial resources, and thus ultimately of income and employment, between rich regions and poor.

Such a policy would presumably require a small regional planning group attached to the federal government. This group could absorb the present functions of the Atlantic Provinces Development Board and add certain responsibilities with regard to the Province of Quebec and other regions. Possibly within this group there could be some specialists particularly concerned with problems of biculturalism and bilingualism.

The question is, "Where within the structure of the federal government should this group be?" One possibility would be to attach it to the Economic Council. This approach would have the advantage of underlining the advisory and consultative nature of the work of the organization. On the other hand, the problems of biculturalism and bilingualism, and even the problems of regional development, may be broader in scope than the present terms of reference of the Economic Council.

Another possibility would be to establish a permanent Secretariat of the Dominion—Provincial Conference, as has been repeatedly proposed by the government of Quebec, and to attach to this secretariat a staff concerned with regional development and with bicultural problems. The

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inces for political and social reasons. If so, they should be able
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[illegible]

Such a policy would probably reduce a small regional provincial
group attached to the federal government. This group could obviously
present the issue of the Atlantic Provinces development board and its
partial responsibility in regard to the Provinces or Quebec and other
regions. Possibly within that group there could be some sympathy
or relatively concerned in problems of structural and diversification.

The question is "does retaining the structure of the federal government
and should this group say" does our stability would be to attack it
to the Economic Council. This approach would increase advantages of under-
lining the economy and cumulative effect of the work of the Council
[illegible]. On the other hand the problems of diversification and differentiation
even over the problems of regional development, may be broader in scope
than the present terms of reference of the Economic Council.

One other possibility would be to establish a permanent Secretariat
of the Dominion-Provincial Conferences, making it representative [illegible]
by the government of Ottawa, and to [illegible] to take secretarial a staff
concerned with research development and with secretarial functions. The

danger here is that the traditional concern of the Dominion-Provincial Conference with the reallocation of tax revenues and spending responsibilities may be an obstacle to a shift of emphasis to such matters as interactions between regional and national development, encouragement of regional planning, and cultural and linguistic problems.

A third possibility would be to put the new organization in the planning office of the Privy Council. This solution would have the advantage of stressing the advisory nature of the organization at the technical level and of underlining the need for basic decisions at cabinet level with regard to objectives of cultural and linguistic policy.

The major problem involved in any organization of this kind is the reconciliation of the sensibilities of the Province of Quebec, and its increasing insistence on autonomy over a widening range of responsibilities, with the need for some kind of control over expenditures of federal funds, appropriated for regional development purposes. The developing nations, it is true, have submitted to a review of their development programs as a basis of foreign aid without much protest; but the difference in capacity for self-finance between developing and advanced countries is clearly much greater than the differences in financial capacity between the Province of Quebec and the Federal government measuring capacity in per capita terms. With respect to technical competence for regional planning, the margin of superiority may well lie with the "recipient" province. Yet assigning this new function to a Secretariat of the Dominion Provincial Conference would imply that representatives of other provinces, as well as of the federal government, would have some power

of review over development programs of the Province of Quebec. There is some indication that the citizens and government of Quebec would prefer direct negotiations with the federal government to involvement with other provinces as well.

On balance it seems probable that one of the other devices for providing a Secretariat would be preferable. The determination of the actual allocation for regional development could be based on a bi-lateral "confrontation" approach, such as has been adopted by the Organization for Economic Cooperation and Development. Each "claimant" region (to use the Australian expression) could present its development program to a group of specialized technicians attached to the federal secretariat concerned with regional development and bi-culturalism. It should be made clear that the review, as in international reviews, would be based on only four criteria: the internal consistency and technical adequacy of the development program; its relationship to other regional programs (in order to avoid needless overlapping); absorptive capacity (ability to utilize funds effectively); and the maximum domestic effort and consequent need for assistance.

The Royal Commission, however, need not decide on the precise form of the continuing organization. The essential requirement at this stage is the recognition of the need for permanent machinery in the field of regional development policy and a clear link between this machinery and policy in the cultural and linguistic fields.

[illegible]

[illegible] some indicators that the alliance and government of Ecuador would prefer direct negotiations with the United States government to [illegible] with other governments as well.

On balance, it seems reasonable that one of the major factors for [illegible] a solution would be [illegible]. The intervention of the United States in the regional disputes would be seen as a bi-lateral "confrontation" between, such as it was adopted by the Organization for Economic Cooperation and Development. Even "Ecuador" region (in the Australian exploration) would prevent the [illegible] program to a group of [illegible] countries [illegible] to the [illegible] confrontation accompanied with [illegible] [illegible]. It would be made clear that [illegible] in the traditional manner, would be made on only [illegible] the General consistency and technical [illegible] of the development program [illegible] to other regional problems (in order to [illegible] [illegible]) [illegible] capacity (ability to utilize [illegible]) and the maximum [illegible] and [illegible]

[illegible] however, need not [illegible] the possible [illegible] of the continuing operations. [illegible] [illegible] in the [illegible] for [illegible] and [illegible] of regional development [illegible] [illegible] and [illegible] in the [illegible].

APPENDICES.

Tableau I: Revenu moyen de travail de la main-d'oeuvre masculine selon l'industrie
Canada et provinces

Industries	Canada	T.-N.	I.-P.-E.	N.-E.	N.-B.	Québec	Ontario	Manitoba	Saskat.	Alberta	C.B. (2)
		Canada					Québec				
Toutes industries (1)	4139	2724	2574	3325	3192	3942	4443	4181	3904	4362	4501
Ind. manufacturières	4266	3291	N.A.	3429	3232	4082	4563	4035	4073	4088	4225
Construction	3488	2049	N.A.	2465	2911	3327	3713	3614	3367	3972	3773
Transport et communication	4202	2814	N.A.	3331	3653	4035	4466	4365	4134	4416	4571
Commerce	4085	2960	N.A.	3271	3535	3897	4254	4310	3958	4269	4545
Finance, Assurance et Immeuble	5411	N.A.	N.A.	4860	5262	5642	5357	6090	4418	5213	5123
Services	4654	2331	N.A.	3764	3404	4307	4947	4237	4557	4947	5367
Administration publique	4333	3599	N.A.	4223	3685	3947	4592	4377	4050	4272	4931
Industries primaires (1)	3457	1974	N.A.	2506	1697	2899	4194	4248	3999	5069	4268
Non-précisées	2814	N.A.	N.A.	1762	1751	3002	3056	1960	2472	2883	3056

(1) autres que l'agriculture

(2) comprend le Yukon et les Territoires du Nord-Ouest

Tableau 1a: Indice du revenu moyen de travail au Canada et dans chaque province selon les industries, 1961

Industries	Canada	T.-N.	I.-P.-E.	N.-E.	N.-B.	Quebec	Ontario	Manitoba	Saskat.	Alberta	C.B. (2)
Toutes industries (1)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Ind. manufacturières	103.07	120.81	N.A.	103.13	101.25	103.55	102.70	96.51	104.33	95.72	93.87
Construction	84.27	75.22	N.A.	74.14	91.20	84.40	83.57	86.44	86.24	91.06	83.83
Transport et communication	101.52	103.30	N.A.	100.18	114.44	102.36	100.52	104.40	105.89	101.24	101.55
Commerce	98.70	108.66	N.A.	93.38	110.75	98.86	95.75	103.09	101.38	97.87	100.98
Finance, Assurance et immeuble	130.73	N.A.	N.A.	146.16	164.85	143.13	120.57	145.66	113.17	119.51	113.32
Services	112.44	103.93	N.A.	113.20	106.64	109.26	111.34	101.34	116.73	113.41	119.24
Administration publique	104.69	132.12	N.A.	127.01	115.48	100.13	103.35	104.69	103.74	97.94	109.55
Industries primaires (1)	33.52	72.47	N.A.	75.37	53.16	73.54	94.40	101.60	102.43	116.21	94.82
Non-précisées	67.99	98.27	N.A.	52.99	54.86	76.15	68.78	46.88	63.32	66.10	67.90

(1) autres que l'agriculture

(2) comprend le Yukon et les Territoires du Nord-Ouest

Tableau 1b: Indice de revenu moyen de travail dans chaque industrie selon les provinces, 1961.

Industries	Canada	T.-N.	I.-P.-E.	N.-E.	N.-B.	Quebec	Ontario	Manitoba	Saskat.	Alberta	C.B. (2)
Toutes industries (1)	100.00	65.81	62.19	80.33	77.12	95.24	107.34	101.01	94.32	105.39	100.75
Ind. manufacturieres	100.00	77.14	N.A.	80.38	75.76	95.69	106.96	94.58	95.48	95.83	99.04
Construction	100.00	58.74	N.A.	70.67	83.46	95.38	106.45	103.61	96.53	113.88	108.17
Transport et communication	100.00	66.97	N.A.	79.27	86.93	96.03	106.28	103.83	98.38	105.09	108.78
Commerce	100.00	72.46	N.A.	80.07	86.54	95.40	104.14	105.51	96.89	104.50	111.26
Finance, Assurance et Immeuble	100.00	N.A.	N.A.	89.82	97.25	104.27	99.00	112.55	81.65	96.34	94.63
Services	100.00	60.33	N.A.	80.88	73.14	92.54	106.30	91.04	97.92	106.30	115.32
Administration publique	100.00	83.06	N.A.	97.46	85.07	91.09	105.98	101.02	93.47	98.59	113.80
Industries primaires (1)	100.00	57.10	N.A.	72.49	49.09	83.86	121.32	122.88	115.68	146.63	123.46
Non-précisées	100.00	95.13	N.A.	62.62	62.62	106.68	108.60	69.65	87.85	102.45	108.60

(1) autres que l'agriculture

(2) comprend le Yukon et les Territoires du Nord-Ouest.

Tableau 1-2: Répartition de la main-d'oeuvre masculine selon l'industrie
Canada et provinces, 1961

Industries	Canada	T.-N.	I.-P.-E.	N.-E.	N.-B.	Quebec	Ontario	Manitoba	Saskat.	Alberta	C.B.
Toutes industries	39094	843	150	1510	1106	11072	14814	1810	1464	2572	3753
Ind. manufacturières	10679	111	21	282	208	3446	4876	359	110	347	919
Construction	3886	105	15	148	96	1175	1416	163	141	300	327
Transport et communication	4957	140	20	207	172	1370	1547	334	265	385	517
Commerce	6743	127	31	239	203	1829	2464	359	325	539	627
Finance, Assurance et Immeuble	1230	6	1	30	22	367	505	56	41	85	117
Services	4608	66	17	143	111	1255	1767	231	196	343	479
Administration publique	3302	77	21	224	118	749	1199	171	143	252	348
Industries primaires	2396	194	16	204	140	616	612	66	54	191	303
Non-précisées	1293	17	8	33	36	265	428	71	189	130	116

Tableau 1-2a: Répartition en pourcentage de la main-d'oeuvre masculine de chaque province selon les industries, 1961.

Industries	Canada	T.-N.	I.-P.-E.	N.-E	N.-B.	Quebec	Ontario	Manitoba	Saskat.	Alberta	C.B.
Toutes industries	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Ind. manufacturières	27.32	13.17	14.00	18.68	18.81	31.12	32.91	19.83	7.51	13.49	24.49
Construction	9.94	12.46	10.00	9.80	8.68	10.61	9.56	9.01	9.63	11.66	8.71
Transport et communication	12.68	16.61	13.33	13.71	15.55	12.37	10.44	18.45	18.10	14.97	13.78
Commerce	17.25	15.07	20.67	15.83	18.35	16.52	16.63	19.83	22.20	20.96	16.71
Finance, Assurance et Immeuble	8.15	0.71	9.67	1.99	1.99	3.31	3.41	2.09	2.80	3.30	3.12
Services	11.79	7.83	11.33	9.47	10.04	11.33	11.93	12.76	13.39	13.84	12.76
Administration publique	8.45	9.13	14.00	14.83	10.67	6.76	8.09	9.45	9.77	9.80	9.27
Industries primaires	6.18	28.01	10.67	18.51	12.66	5.56	4.19	3.65	3.69	7.43	8.07
Non-précisées	3.31	2.02	5.30	2.19	3.25	2.39	2.89	3.92	12.91	5.05	3.09

Tableau 1-2b: Répartition en pourcentage de la main-d'oeuvre masculine de chaque industrie selon les provinces, 1961.

Industries	Canada	T.-N.	I.-P.-E.	N.-E.	N.-B.	Quebec	Ontario	Manitoba	Saskat.	Alberta	C.B.
Toutes industries	100.00	2.16	0.38	3.86	2.83	28.32	37.89	4.63	3.74	6.58	9.60
Ind. manufacturières	100.00	1.04	0.36	2.64	1.95	32.27	45.66	3.36	1.03	3.25	8.61
Construction	100.00	2.70	0.39	3.81	2.47	30.24	36.44	4.19	3.63	7.72	8.41
Transport et communication	100.00	2.82	0.40	4.18	3.47	27.64	31.21	6.74	5.35	7.77	10.43
Commerce	100.00	1.88	0.46	3.54	3.01	27.12	36.54	5.32	4.82	7.99	9.30
Finance, Assurance et Immeuble	100.00	0.49	0.08	2.44	1.79	29.84	41.06	4.55	3.33	6.91	9.51
Services	100.00	1.43	0.37	3.10	2.41	27.24	38.35	5.01	4.25	7.44	10.39
Administration publique	100.00	2.33	0.64	6.78	3.57	22.68	36.31	5.18	4.33	7.63	10.54
Industries primaires	100.00	8.10	0.67	8.51	5.84	25.71	25.54	2.75	2.25	7.97	12.65
Non précisées	100.00	1.31	0.62	2.55	2.78	20.49	33.10	5.49	14.62	10.05	8.97

Tableau 1-3: Répartition de la main-d'oeuvre masculine selon l'industrie et le groupe ethnique Canada, 1961.

Industries	Total	Britan.	Français	Allemands	Italiens	Juifs	Ukrainiens	Tous les autres
Toutes industries	39,094	17,523	10,921	2,205	1,322	499	960	5,664
Ind. manufacturières	10,679	4,477	3,059	655	452	157	265	1,614
Construction	3,886	1,320	1,274	292	333	13	84	570
Transport et communication	4,957	2,540	1,367	333	97	22	150	548
Commerce	6,743	3,060	1,826	405	162	163	175	952
Finance, Assurance et Immeuble	1,230	709	275	55	24	21	14	132
Services	4,608	2,051	1,123	236	136	95	120	847
Administration publique	3,302	1,815	876	125	40	7	69	370
Industries primaires	2,396	961	825	101	46	2	48	413
non précisées	1,293	590	296	103	32	19	35	218

Tableau 1-3a: Répartition en pourcentage de la main-d'oeuvre masculine de chaque groupe ethnique selon les industries, Canada, 1961.

Industries	Total	Britan-niques	Français	Allemands	Italiens	Juifs	Ukrainiens	Tous les autres
Toutes industries	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Ind. manufacturières	27.32	25.55	28.01	29.71	34.19	31.46	27.60	28.50
Construction	9.94	7.53	11.67	13.24	25.19	2.60	8.75	10.06
Transport et communications	12.68	14.50	12.52	10.57	7.34	4.41	15.62	9.68
Commerce	17.25	17.46	16.72	18.37	12.25	32.67	18.25	16.81
Finance, Assurance et Immeuble	3.15	4.05	2.52	2.49	1.82	4.21	1.46	2.33
Services	11.79	11.70	10.28	10.70	10.29	19.04	12.50	14.95
Administration publique	3.45	10.36	8.02	5.67	3.03	1.40	7.19	6.53
Industries primaires	6.12	5.48	7.55	4.58	3.48	0.40	5.00	7.29
Non précisées	2.21	3.37	2.71	4.67	2.42	3.81	3.65	3.85

Tableau 1-3b: Répartition en pourcentage de la main-d'oeuvre masculine de chaque industrie selon les groupes ethniques, Canada, 1961.

Industries	Total	Britan-niques	Français	Allemands	Italiens	Juifs	Ukrainiens	Tous les autres
Toutes industries	100.00	44.82	27.94	5.64	3.38	1.28	2.46	14.49
Ind. manufacturières	100.00	41.92	28.64	6.13	4.23	1.47	2.48	15.11
Construction	100.00	33.94	32.78	7.51	8.57	0.33	2.16	14.67
Transport et communications	100.00	51.24	27.58	4.70	1.96	0.44	3.03	11.06
Commerce	100.00	45.38	27.08	6.01	2.40	2.42	2.60	14.12
Finance, Assurance et Immeuble	100.00	57.64	22.36	4.47	1.95	1.71	1.14	10.73
Services	100.00	44.51	24.37	5.12	2.95	2.06	2.60	18.38
Administration publique	100.00	54.97	26.53	3.79	1.21	0.21	2.09	11.21
Industries primaires	100.00	40.11	34.43	4.22	1.92	0.08	2.00	17.24
Non précisées	100.00	45.63	22.89	7.97	2.47	1.47	2.71	16.36

Tableau 1-4: Répartition de la main-d'oeuvre masculine selon l'industrie et le groupe ethnique, Ontario 1961

Industries	Total	Britanniques	Français	Allemands	Italiens	Juifs	Ukrainiens	Tous les autres
Toutes industries	14,814	8,559	1,425	945	816	179	349	2,541
Ind. manufacturières	4,876	2,774	396	369	274	53	124	886
Construction	1,416	623	150	115	233	6	33	256
Transport et communication	1,547	1,044	161	70	47	8	38	179
Commerce	2,464	1,445	224	182	95	55	63	400
Finance, Assurance et Immeuble	505	366	30	24	20	8	4	53
Services	1,767	985	132	92	81	38	45	394
Administration publique	1,199	823	155	40	23	5	18	135
Industries primaires	612	241	139	28	21	1	20	162
Non précisées	428	258	38	25	22	5	4	76

Tableau 1-4a: Répartition en pourcentage de la main-d'oeuvre masculine de chaque groupe ethnique selon les industries, Ontario, 1961

Industries	Total	Britan-niques	Français	Allemands	Italiens	Juifs	Ukrainiens	Tous les autres
Toutes industries	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Ind. manufacturières	32.91	32.41	27.79	39.05	33.58	29.61	35.53	34.87
Construction	9.56	7.28	10.53	12.17	28.55	3.35	9.46	10.07
Transport et communication	10.44	12.20	11.30	7.41	5.76	4.47	10.89	7.04
Commerce	16.63	16.88	15.72	19.26	11.64	30.73	18.05	15.74
Finance, Assurance et Immeuble	3.41	4.28	2.11	2.54	2.45	4.47	1.15	2.09
Services	11.93	11.51	9.26	9.74	9.93	21.23	12.89	15.51
Administration publique	8.09	9.62	10.88	4.23	2.82	2.79	5.16	5.31
Industries primaires	4.13	2.82	9.75	2.96	2.57	0.56	5.73	6.38
Non précisées	2.89	3.01	2.67	2.65	2.70	2.79	1.15	2.99

Tableau 1-4b: Répartition en pourcentage de la main-d'oeuvre de chaque industrie selon les groupes ethniques, Ontario, 1961

Industries	Total	Britan-niques	Français	Allemands	Italiens	Juifs	Ukrainiens	Tous les autres
Toutes industries	100.00	57.78	9.62	6.38	5.51	1.21	2.36	17.15
Ind. manufacturières	100.00	56.49	8.12	7.57	5.62	1.09	2.54	18.17
Construction	100.00	44.00	10.59	8.12	16.45	0.42	2.33	18.08
Transport et communication	100.00	67.49	10.41	4.52	3.04	0.52	2.46	11.57
Commerce	100.00	58.64	9.09	7.39	3.86	2.23	2.56	16.23
Finance, Assurance et Immeuble	100.00	72.47	5.94	4.75	3.96	1.58	0.79	10.50
Services	100.00	55.74	7.47	5.21	4.58	2.15	2.55	22.30
Administration publique	100.00	68.64	12.93	3.34	1.92	0.42	1.50	11.26
Industries primaires	100.00	39.38	22.71	4.58	3.43	0.16	3.27	26.47
Non précisées	100.00	60.28	8.88	5.84	5.14	1.17	0.93	17.76

Tableau 1-5: Répartition de la main-d'oeuvre masculine selon l'industrie et le groupe ethnique, Québec, 1961

Industries	Total	Britanniques	Français	Allemands	Italiens	Juifs	Ukrainiens	Tous les autres
Toutes industries	11,072	1,341	8,417	113	342	226	49	584
Ind. manufacturières	3,446	491	2,464	48	132	84	24	203
Construction	1,175	69	990	6	73	4	-	33
Transport et communication	1,370	218	1,064	13	23	10	3	39
Commerce	1,829	170	1,422	16	44	73	8	96
Finance, Assurance et Immeuble	367	102	222	5	1	11	3	23
Services	1,255	145	896	11	43	32	7	121
Administration publique	749	77	630	5	10	-	3	24
Industries primaires	616	39	524	8	10	-	-	35
Non précisées	265	30	205	1	6	12	1	10

Tableau 1-5a: Répartition en pourcentage de la main-d'oeuvre masculine de chaque groupe ethnique selon les industries, Québec 1961

Industries	Total	Britan-niques	Français	Allemands	Italiens	Juifs	Ukrainiens	Tous les autres
Toute industries	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Ind. manufacturières	31.12	32.61	29.27	42.48	38.60	37.17	48.98	34.76
Construction	10.61	5.15	11.76	5.31	21.34	1.77	-	5.65
Transport et communication	12.37	16.26	12.64	11.50	6.73	4.42	6.12	6.68
Commerce	16.52	12.68	16.89	14.16	12.87	32.30	16.33	16.44
Finance, Assurance et Immeuble	3.31	7.61	2.64	4.42	0.29	4.87	6.12	3.94
Services	11.33	10.81	10.65	9.73	12.57	14.16	14.29	20.72
Administration publique	6.76	5.74	7.48	4.42	2.92	-	6.12	4.11
Industries primaires	5.56	2.91	6.23	7.08	2.92	-	-	5.99
Non-précisées	2.39	2.24	2.44	0.88	1.75	5.31	2.04	1.71

Tableau 1-5b: Répartition en pourcentage de la main-d'oeuvre masculine de chaque industries selon les groupes ethniques, Québec, 1961

Industries	Total	Britan-niques	Français	Allemands	Italiens	Juifs	Ukrainiens	Tous les autres
Toutes industries	100.00	12.11	76.02	1.02	3.09	2.04	0.44	5.27
Ind. manufacturières	100.00	14.25	71.50	1.39	2.83	2.44	0.70	5.89
Construction	100.00	5.87	84.26	0.51	6.21	0.34	-	2.81
Transport et communication	100.00	15.91	77.66	0.95	1.68	0.73	0.22	2.85
Commerce	100.00	9.29	77.75	0.87	2.41	3.99	0.44	5.25
Finance, Assurance et Immeuble	100.00	27.8	60.49	1.36	0.27	3.00	0.82	6.27
Services	100.00	11.55	71.39	0.88	3.43	2.55	0.56	9.64
Administration publique	100.00	10.28	84.11	0.67	1.36	-	0.40	3.20
Industries primaires	100.00	6.33	85.06	1.30	1.62	-	-	5.68
Non-précisées	100.00	11.32	77.36	0.38	2.26	4.53	0.38	3.77

Tableau 4: Nombre de personnes actives par 1,000 habitants

Année	Québec	Ontario	Canada
1956	349	397	360
1957	351	396	361
1958	353	387	359
1959	349	384	356
1960	349	387	358
1961	344	384	357
1962	343	380	356
1963	346	382	356
1964	348	386	360

Sources: La main-d'oeuvre (71-001F), B.F.S.
Revue statistique du Canada (11-003F), B.F.S.